



Daily Report

China

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CONTENTS

21 May 1996

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INTERNATIONAL AFFAIRS

General

PRC: Spokesman on Li's Inaugural Speech [AFP]	1
PRC: Spokesman Terms Cultural Revolution 'Disaster' [AFP]	1
PRC: Spokesman Welcomes Clinton Decision on MFN [XINHUA]	2
PRC: Beijing Refuses Li Teng-hui Summit Talks Request [Tokyo KYODO]	2
PRC: Taiwan Affairs Office Statement Viewed [AFP]	2
PRC: Beijing Opens More Counties to Foreigners [XINHUA]	3
PRC: Nuclear Negotiator Takes Note of Japanese Test Ban Request [Tokyo KYODO]	3
PRC: Liaoning's Gu Jinchi Leads Delegation to Australia, Malaysia [LIAONING RIBAO 1 May]	4

Southeast Asia & Pacific

PRC: Beijing, Burma Sign Contract on Wharf Project [XINHUA]	5
PRC: Cambodian King Sihanouk Arrives in Beijing [XINHUA]	5
PRC: Vice Foreign Minister Li Leaves for Papua New Guinea [XINHUA]	5
PRC: Zhu Rongji Meets With Thai Prime Minister [XINHUA]	5
PRC: Zhu Rongji Meets Counterparts in Thailand [XINHUA]	5
PRC: Zhu Rongji Meets Thai King [XINHUA]	6
PRC: NPC Vice Chairman Meets Thai Delegation [XINHUA]	6
PRC: Vice Premier Meets Thai Delegation [XINHUA]	6

Near East & South Asia

PRC: Jiang Zemin Visits Egypt's Industrial City [XINHUA]	6
PRC: UAE President Hosts Wu Bangguo [XINHUA]	7
PRC: Sun Fuling, Pakistani Speaker Celebrate 45 Years of Ties [XINHUA]	7
PRC: CPPCC Vice Chairman Meets With Pakistani Official [XINHUA]	8
PRC: Pakistan's Governor Meets CPPCC Delegation [XINHUA]	8
PRC: CPPCC Delegation Arrives in Islamabad [XINHUA]	8
PRC: Jiang Zemin, Li Peng, Qiao Shi Greet Pakistani Counterparts [Beijing International]	9
PRC: Celebration Held To Mark Anniversary of Ties With Pakistan [XINHUA]	9
PRC: Pakistani Speaker Sends Anniversary Message to Qiao Shi [XINHUA]	10
PRC: CPPCC Delegation Meets With Pakistani Senate Chairman [XINHUA]	10
PRC: Supreme Court Head Ren Jianxin Meets Indian Counterpart [XINHUA]	11
PRC: Qiao Shi, Ren Jianxin Meet With Indian Chief Justice [XINHUA]	11
PRC: Prime Minister Li Peng Congratulates New Indian Counterpart [XINHUA]	11
PRC: NPC Vice Chairperson Meets Iranian Delegation [XINHUA]	12
PRC: Nepali Foreign Minister Meets CPC Delegation [XINHUA]	12

Sub-Saharan Africa

PRC: NPC's Chen Muhua Meets With Angolan First Lady [XINHUA]	12
PRC: Wife of Prime Minister Li Peng Meets Angolan First Lady [XINHUA]	12
PRC: Jiang Zemin, Malian President Meet [XINHUA]	13
PRC: Jiang: Sino-Namibian Relations 'Growing in New Directions' [XINHUA]	14

PRC: Namibian President on 'Special Partnership' With Beijing [XINHUA]	15
PRC: Jiang Zemin Meets With Namibian Prime Minister Geingob [XINHUA]	16
PRC: Jiang Zemin Meets With Namibian President Sam Nujoma [XINHUA]	17
PRC: Jiang Zemin, Namibia's Sam Nujoma Attend Agreement Signing [XINHUA]	17
PRC: Beijing, Namibia Sign Economic, Technical Agreement [XINHUA]	18
PRC: Jiang Zemin Ends Visit to Namibia [XINHUA]	18
PRC: Jiang Zemin Arrives in Zimbabwe, Releases Statement [XINHUA]	18
PRC: Zimbabwean President, Jiang Zemin Meet in Harare [XINHUA]	19
PRC: Jiang Zemin Vows To 'Open New Chapters' With Africa [XINHUA]	19

West Europe

PRC: Anne Heseltine Donates to Beijing Children's Hospital [XINHUA]	19
PRC: Li Lanqing, Heseltine Discuss WTO, Trade, Bilateral Ties [XINHUA]	20
PRC: UK's Heseltine Meets With Construction Minister [XINHUA]	20

East Europe

PRC: Bulgarian Premier Arrives in Beijing For Official Tour [XINHUA]	21
PRC: Li Peng Welcomes Bulgarian Premier in Beijing [XINHUA]	21
PRC: Li Peng Holds Meeting With Bulgarian Counterpart [XINHUA]	21
PRC: Li Peng Meets With Bulgarian Counterpart [XINHUA]	21
PRC: Rong Yiren Meets Bulgarian Premier [XINHUA]	22
PRC: Beijing, Budapest Pledge To Boost Military Ties [XINHUA]	22
PRC: Romania Hopes To Promote Economic Cooperation [XINHUA]	23

NATIONAL AFFAIRS

Political & Social

PRC: Spokesman Comments on Li Teng-hui's Inaugural Speech [Hong Kong WEN WEI PO 21 May]	24
PRC: Taiwan Office Holds Symposium on Li Teng-hui Speech [Hong Kong SING TAO JIH PAO 21 May]	24
PRC: XINHUA Hong Kong Official on Li Teng-hui's Speech [Hong Kong TA KUNG PAO 21 May]	25
PRC: Li Peng Inspects Yunnan 10-17 May [XINHUA]	25
PRC: Deng Xiaoping, Yang Baibing, Yang Shangkun Mourn Lu's Death [XINHUA]	26
PRC: Chairman of CPPCC National Committee Inspects Hubei [Hubei Radio]	27
PRC: Beijing Stresses 'Stability' During Sensitive Period [Hong Kong SING TAO JIH PAO 18 May]	28
PRC: Jiang Zemin Signs Presidential Decree No. 68 [XINHUA]	29
PRC: Raid on Combating Crimes at Lhasa Rally [XIZANG RIBAO 11 May]	29
PRC: Comments on Employment Issue; Labor Minister Quoted [XINHUA]	32
PRC: State Councillor Peng Peiyun Calls for Help for Disabled [XINHUA]	33

Science & Technology

PRC: Hong Kong, Guangdong Link Information Networks [XINHUA]	33
PRC: Zou Jiahua at Signing of Telephone Network Agreement [XINHUA]	33
PRC: Beijing Science, Technology Week Opens [XINHUA]	34
PRC: Nation Becomes World's Largest Solar Water Heater Maker [XINHUA]	34
PRC: Beijing To Become 'National Window' for Science [XINHUA]	34

Military & Public Security

PRC: Indonesian Training Vessel Visits Guangzhou [XINHUA]	35
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PRC: Liu Huaqing Calls For Stronger Navy [XINHUA]	35
PRC: Major Units Make Democratic Life Meetings Successful [JIEFANGJUN BAO 5 May] ..	35
PRC: Model Cadre on Nanshas Praised [XINHUA]	36
*PRC: Militia Support in High-Tech Local War Viewed [GUOFANG 15 Jan]	38
PRC: Zhuhai Needs 1,000 Police Officers To Fight Rising Crime [Hong Kong SOUTH CHINA MORNING POST 18 May]	40
PRC: Shenzhen Municipal Court Sentences 37, Executes 12 [ZHONGGUO XINWEN SHE] ...	41

ECONOMIC AFFAIRS

General

PRC: Ministry Finds Enterprises Evaded 16 Billion in Taxes [XINHUA]	42
PRC: State Council Circular on Consolidating Medical Market [XINHUA]	42
PRC: Central Authorities Issue Circular on Legal Education [XINHUA]	42
PRC: Institute of Nationalities Reports Research Achievements [XINHUA]	43
PRC: 'Torch Plan' Hi-Tech Industry Zone Forming in Fujian [ZHONGGUO XINWEN SHE] ..	43
PRC: Domestic Car Market Has 'Biggest Potential in the World' [XINHUA]	44
PRC: Demand for Buses, Bicycles Increases [XINHUA]	44
PRC: Eastern Airlines Expanding International Flights [XINHUA]	44

Finance & Banking

PRC: Shanghai Industrial To Go Public in Hong Kong [XINHUA]	45
PRC: Eximbank To Enhance Quality of Credit Assests [CHINA DAILY (BUSINESS WEEKLY) 19-25 May]	45
*PRC: Controlling Inflation Still Top Financial Goal [Hong Kong HONG KONG CHING-CHI TAO-PAO 12 Feb]	46

Foreign Trade & Investment

PRC: Beijing Mayor on Cooperation With Foreign Insurance Firms [XINHUA]	49
PRC: Li Peng Meets Swiss Insurance Delegation [XINHUA]	49
PRC: Zhu Rongji Comments on Sino-Thai Economic Ties [XINHUA]	49
PRC: Zhu Rongji Briefed on Thai Investment Policy [XINHUA]	50
PRC: Zhu Rongji Comments on Sino-ASEAN Economic Cooperation [XINHUA]	50
PRC: Xiamen Lures \$10 Billion in Foreign Investment [XINHUA]	51

Agriculture

PRC: Vice Premier Li Lanqing Urges Silk Industry Reforms [XINHUA]	51
PRC: Guangdong Increases Area for Early Rice [XINHUA]	51
PRC: Technology Improves Chemical Fertilizer Industry [XINHUA]	51
PRC: Institutes Win Bids for Major Farm Research Projects [XINHUA]	52

REGIONAL AFFAIRS

East Region

PRC: Deng Doctrines New Subject at Shanghai Universities [ZHONGGUO XINWEN SHE] ..	53
PRC: Anhui CPPCC Standing Committee Meeting Opens 7 May [Anhui Radio]	53
*PRC: Shanghai Promotes New Tariff Policy [GUOJI SHANGBAO 10 Apr]	53
*PRC: Shanghai Implements New Regulations on Religion [JIEFANG RIBAO 1 Mar]	54
PRC: Zhejiang Development of Marine Economy Outlined [XINHUA]	55

Northeast Region

PRC: Large Enterprises Boost Development of Northeast [XINHUA]	55
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*PRC: Study Rates Heilongjiang's Investment Environment [<i>FENDOU Feb</i>]	56
PRC: Heilongjiang Acts To Revamp State-Owned Enterprises [<i>XINHUA</i>]	58
PRC: Technology Trading Center Completed in Jilin [<i>XINHUA</i>]	59
PRC: Liaoning Governor Inspects Anshan City [<i>LIAONING RIBAO 2 May</i>]	59
PRC: Liaoning Develops 6 Projects To Promote Education [<i>XINHUA</i>]	61

TAIWAN

Taiwan: Li Teng-hui Holds Interview [<i>ASAHI SHIMBUN 17 May</i>]	62
Taiwan: Li Teng-hui Meets Foreign Heads of State [<i>Taiwan Central News Agency WWW</i>]	63
Taiwan: Li Speaks at Banquet on 'International Responsibility' [<i>Taiwan Central News Agency WWW</i>]	63
Taiwan: DDP Legislator, Others Comment on Li's Inaugural Speech [<i>Taiwan Central News Agency WWW</i>]	64
Taiwan: Armed Man Caught During President Li's Inauguration [<i>Hong Kong TV</i>]	64
Taiwan: Taipei Takes Issue With Beijing's 'One China' Policy [<i>Hong Kong SOUTH CHINA SUNDAY MORNING POST 19 May</i>]	64
Taiwan: PRC Urges Li To Take 'Practical Action' on Unity [<i>Hong Kong SOUTH CHINA MORNING POST 21 May</i>]	65
Taiwan: Information Office Head Comments on 'Pragmatic Diplomacy' [<i>Taiwan Central News Agency WWW</i>]	66
Taiwan: Li Teng-Hui Sends Message to Democracy Conference [<i>Taiwan Central News Agency WWW</i>]	66
Taiwan: KMT Official: Li Would Visit Mainland as Head of State [<i>AFP</i>]	67
Taiwan: Premier Explains Stand on Territorial Waters, Economic Zone [<i>Taiwan Central News Agency WWW</i>]	67
Taiwan: DPP Legislator Attacked by Unknown Assailant [<i>Taiwan Central News Agency WWW</i>]	68

HONG KONG & MACAO

Hong Kong

Hong Kong: Hong Kong Welcomes U.S. Renewal of China's MFN Status [<i>XINHUA</i>]	69
Hong Kong: First Joint Anti-Piracy Drive Held With PRC [<i>Hong Kong MING PAO 18 May</i>]	69
Hong Kong: Government Unlikely To Clear Camps Before Handover [<i>Hong Kong SUNDAY HONGKONG STANDARD 19 May</i>]	69
Hong Kong: JLG Experts Discuss Nationality, Right of Abode Issues [<i>XINHUA</i>]	70
Hong Kong: Government Criticism of Provisional Legislature Attacked [<i>Hong Kong SUNDAY HONGKONG STANDARD 19 May</i>]	71
Hong Kong: Editorial Urges Patten To Explain Mudslinging [<i>Hong Kong WEN WEI PO 16 May</i>]	71
Hong Kong: MING PAO Reacts to Privy Council Verdict [<i>21 May</i>]	72
Hong Kong: Editorial Views Need To Boost Confidence on HK Future [<i>Hong Kong SOUTH CHINA MORNING POST 18 May</i>]	73
Hong Kong: Financial Secretary Interviewed [<i>Bangkok ASIA TIMES 20 May</i>]	73

General

PRC: Spokesman on Li's Inaugural Speech

OW2105092696 Hong Kong AFP in English
0904 GMT 21 May 96

[By Giles Hewitt]

[FBIS Transcribed Text] Beijing, May 21 (AFP) — China on Tuesday [21 May] reaffirmed its total opposition to the idea of Taiwan as a democratic sovereign state following the election of Li Teng-hui for a second presidential term on the island.

While respecting the right of "Taiwan compatriots" to develop democratic politics, China's Taiwan Affairs Office stressed that such a process could only take place on the understanding that Taiwan is an inalienable part of China.

"We resolutely oppose any attempt to divorce from the fact that Taiwan is a part of China, or to advocate Taiwan 'as a main body' or to declare on Taiwan 'a new era when sovereignty lies with the people,'" the office said in a statement.

The statement was a direct reaction to the inaugural speech delivered Monday by Li, who won a landslide election in Taiwan's first free presidential elections on March 23. The statement made no reference to Li's offer to fly to Beijing to bridge the bitter 46-year rift between the rival governments, and at the same time gave a cynical response to Li's declaration that Taiwanese independence was "totally unnecessary and impossible." "The Taiwan authorities must take concrete actions, rather than providing spoken guarantees, to stop their activities aimed at creating two Chinas, or one China one Taiwan, and to genuinely stand by the principle of one China," the statement said.

Without naming Li specifically, the statement also accused the Taiwanese leadership of attempting to split Chinese territory and divide state sovereignty.

At a press briefing, Foreign Ministry spokesman Cui Tiankai refused to respond to questions on Li's speech, stating Taiwan was an internal issue and unrelated to China's foreign policy.

In the past, such a stonewalling ploy has been taken as an indication that the government has yet to decide on an official response to any fresh initiative from Taipei regarding relations across the Taiwan Strait.

Analysts said any detailed government reaction to Li's speech would be postponed until President Jiang Zemin's return from his African tour.

While refusing to answer questions, Cui repeatedly said Beijing's position on Taiwan had been clearly defined

in an eight-point statement delivered by Jiang in January last year.

Beijing has viewed Taiwan as a renegade province ever since nationalist forces fled to the island in 1949 to set up a rival government after losing a civil war to the Communists on the mainland. China has threatened to retake the island by force if Taiwan declares independence and has staged a series of military exercises near the island and suspended high-level talks since June to protest at a "private" visit Li made to the United States. The government here saw Li's trip in the context of Taipei's efforts to end the island's diplomatic isolation and push forward the cause of independence. The Taiwan Affairs Office statement stressed that Beijing's opposition to the activities of Li's administration was solely based on the issue of protecting territorial and sovereign integrity and should not be "distorted" as "anti-democratic." Reiterating the communist government's commitment to peaceful reunification, it also claimed that Beijing's anti-independence struggle had exposed the true motivation of some Taiwanese leaders "who pretend to support reunification when in fact engaging in splittism." During his inaugural speech on Monday, Li declared himself the leader of a "sovereign" state, the Republic of China, set up in Taiwan in 1949, but strongly ruled out any move to declare it technically independent of China.

PRC: Spokesman Terms Cultural Revolution 'Disaster'

OW2105093796 Hong Kong AFP in English
0925 GMT 21 May 96

[FBIS Transcribed Text] Beijing, May 21 (AFP) — China broke Tuesday [21 May] its official silence on the anniversary of the launching of the 1966-76 Cultural Revolution, with the Foreign Ministry labelling it a "disaster," but stressing the need to look to the future.

"We have indeed suffered dearly from that disaster," Foreign Ministry spokesman Cui Tiankai told a regular press briefing.

"The conclusion about the Cultural Revolution has long been made and at present I think people should look forward instead of living in the past," Cui added.

The 30th anniversary of the launch of the Cultural Revolution on May 16 was completely ignored by the Chinese government, with no mention whatsoever of the event by the national media.

Thirty years ago, Mao Zedong published an appeal in all major newspapers that called for attacks on "all representatives of the bourgeoisie who have infiltrated the Party, government, Army and cultural world."

The Great Proletarian Cultural Revolution that was born from his desire to build a New China based on the true rule of the masses spun off into a whirlwind of destruction that brought China to its knees and virtually cut off all contact with the outside world.

Although the ferocity of the whirlwind was basically spent by 1969, it was not until Mao's death in 1976 that the Communist Party was able to bring the decade of chaos to an end and issue a judgement — which has remained unchallenged — that Mao, the Great Helmsman, was 70 percent right and 30 percent wrong.

Said Cui: "At the moment, the Chinese people are devoting all of their energy and time to building on the growth of China.

"Therefore I don't think it is necessary to devote much of our energy and time for something that has already passed."

PRC: Spokesman Welcomes Clinton Decision on MFN

*OW2105094196 Beijing XINHUA in English
0935 GMT 21 May 96*

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — Chinese Foreign Ministry [FM] Spokesman Cui Tiankai said here today that China welcomes President Clinton's announcement to unconditionally renew the Most Favorite Nation (MFN) trading status to China.

He made the statement at a press conference here this afternoon in response to a reporter's question.

"President Clinton has made a wise decision," Cui said, adding that the Chinese government has always believed that the mutual granting by China and the US of the MFN status to each other constitutes the basis for Sino-US economic and trade relations, facilitates the bilateral cooperation and exchanges in the economic and trade area and serves the fundamental interests of the two peoples.

However, the FM spokesman pointed out that the annual review of the MFN status by the US side is not conducive to the establishment of a long-term, stable and normal economic and trade relationships between the two sides.

China hopes, Cui said, that the US side will reverse this erroneous practice which has long been antiquated.

PRC: Beijing Refuses Li Teng-hui Summit Talks Request

*OW2105005296 Tokyo KYODO in English
0033 GMT 21 May 96*

[FBIS Transcribed Text] Beijing, May 21 KYODO — China has issued a statement, virtually turning down a request by Taiwan's first popularly elected president Li Teng-Hui for summit talks with Chinese president Jiang Zemin.

A State Council spokesman in charge of Taiwan affairs issued the statement Monday night, criticizing Li's inauguration speech delivered in Taipei on Monday [20 May].

"Taiwan should stop its activities to create a concept of two Chinas or one China and one Taiwan in the international community," the statement said.

"Taiwan should show its eagerness for a unification of China and Taiwan not only by words but also by its action," the spokesman said in the statement.

The spokesman also insisted that Taiwan is a part of China and Beijing will oppose any attempts by Taiwan to become independent.

Li said in his speech that he is ready to visit Beijing for summit talks and it is not necessary for Taiwan to be independent.

Li, however, said Taiwan will continue its international business activities to improve its status in the international community.

He also said he will devote his life to Taiwan's new era with a slogan of "sovereignty rests with the people."

PRC: Taiwan Affairs Office Statement Viewed

*OW2105052396 Hong Kong AFP in English
0428 GMT 21 May 96*

[FBIS Transcribed Text] Beijing, May 21 (AFP) — China on Tuesday stated its total opposition to the idea of Taiwan as a democratic sovereign state following the island's free election of Li Teng-hui for a second presidential term.

While respecting the right of "Taiwan compatriots" to develop democratic politics, the Taiwan Affairs Office of the State Council stressed that such a process could only take place on the understanding that Taiwan is an inalienable part of China.

"We resolutely oppose any attempt to divorce from the fact that Taiwan is a part of China, or to advocate Taiwan 'as a main body' or to declare on Taiwan 'a

new era when sovereignty lies with the people," the office said in a statement.

The statement was a direct reaction to the inaugural speech delivered Monday [20 May] by Li, who won a landslide election in Taiwan's first free presidential elections on March 23.

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Beijing has viewed Taiwan as a renegade province ever since nationalist forces fled to the island in 1949 to set up a rival government after losing a civil war to the Communists on the mainland.

China has threatened to retake the island by force if Taiwan declares independence and has staged a series of military exercises near the island and suspended high-level talks since June to protest at a "private" visit Li made to the United States.

The government here saw Li's trip in the context of Taipei's efforts to end the island's diplomatic isolation and push forward the cause of independence.

The Taiwan Affairs Office statement stressed that Beijing's opposition to the activities of Li's administration was solely based on the issue of protecting territorial and sovereign integrity and should not be "distorted" as "anti-democratic."

Reiterating the communist government's commitment to peaceful reunification, it also claimed that Beijing's anti-independence struggle had exposed the true motivation of some Taiwanese leaders "who pretend to support reunification when in fact engaging in splittism."

During his inaugural speech on Monday, Li declared himself the leader of a "sovereign" state, the Republic of China, set up in Taiwan in 1949, but strongly ruled out any move to declare it technically independent of China.

PRC: Beijing Opens More Counties to Foreigners

OW2005112296 Beijing XINHUA in English
0949 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Forty more counties in China have been approved for opening to foreigners, bringing the total number of such counties to 1,260, a spokesman for the Ministry of Public Security announced today.

Under relevant regulations of the Law on the Entry and Exit of Foreigners in the People's Republic of China, foreigners with valid certificates and residence cards can travel to these areas without applying for travelling licenses.

These newly-opened counties (cities) are : Luoning County, central China's Henan province; Luanping County, Xinglong County, Manchu Autonomous County of Kuancheng, Manchu and Mongolian Autonomous County of Weichang, Pingquan County, Xingtang County, Pingshan County, Lingshou County, Yuanshi County, Wu'an City, Shexian County, Yongnian County, Neiqiu County, Renxian County, Lincheng County, Dingzhou City, Gaobeidian City, Mancheng County, Laiyuan County, Dingxing County, Shunping County, Xushui County, Tangxian County, Wangdu County, Laishui County, Rongcheng County, Quyang County, Fuping County, Yutian County, Wuqiang County, Chicheng County, Chongli County, Guyuan County, and Kangbao County of north China's Hebei province; and Qingyang County, Jingde County, Huoshan County, Huoqiu County and Lingbi County of east China's Anhui province.

PRC: Nuclear Negotiator Takes Note of Japanese Test Ban Request

OW2005153596 Tokyo KYODO in English
1523 GMT 20 May 96

[FBIS Transcribed Text] Geneva, May 20 KYODO — China's chief negotiator on a nuclear test ban treaty said Monday [20 May] that China can conduct nuclear tests legally until such a treaty comes into effect but wants to avoid conducting further tests.

China's ambassador for disarmament, Sha Zukang, made the remark in a meeting with the mayors of Hiroshima and Nagasaki, one of the mayors told reporters. The Japanese cities of Hiroshima and Nagasaki are the only cities ever to experience a nuclear attack.

At the meeting, Hiroshima Mayor Takashi Hiraoka and Nagasaki Mayor Itcho Ito urged China to agree on an unconditional ban on nuclear testing and to cancel a possible nuclear test expected in the near future. Ito said.

Sha said he will take note of the request and said China is flexible on such a ban but all other negotiating countries must show flexibility.

The mayors also met Russia's chief negotiator and asked for efforts toward the prompt signing of a Comprehensive Test Ban Treaty (CTBT).

They are scheduled to meet U.S. and Indian negotiators Monday and Tuesday to make a similar appeal.

Delegations from 93 nations are working to conclude a CTBT by the end of June, but China's insistence that peaceful nuclear explosions be exempt from the treaty has threatened to derail the negotiations.

PRC: Liaoning's Gu Jinchí Leads Delegation to Australia, Malaysia

SK2105054596 Shenyang LIAONING RIBAO
in Chinese 1 May 96 p 1

[FBIS Translated Text] During their visits to Australia and Malaysia from 12 April, the economic and trade delegation of Liaoning Province held two meetings to explain the province's investment environment. In the form of introducing the investment environment at the meetings, holding talks on cooperation, and widely establishing contacts, the delegation widened the cooperation channels, established contacts with these two countries, used foreign propaganda means to extensively disseminate Liaoning, and expanded Liaoning's influential power. Focusing on transforming the old industrial base, stressing Liaoning's four pillar industries, and aiming for extensively seeking international cooperation partners, the delegation invited traders and introduced capital while conducting the economic and trade activities.

At the meetings to explain Liaoning Province's investment environment, respectively held in Adelaide, Australia; and Penang, Malaysia, Gu Jinchí, head of the delegation, briefly introduced the situation of Liaoning Province and analyzed the factors for mutually promoting the development of economic and trade cooperation. He pointed out: Vigorously strengthening the economic and trade cooperation is our common aspiration and a favorable opportunity for both sides. While staying in Australia, the delegation extensively established contacts with a number of large-sized, well-known, and economically powerful companies there, such as the South Holding Company, the BHP Company, the Boteman [name as transliterated] Iron and Steel Company, the Ailixin [name as transliterated] Australian Telecommunications Company, the Lidezhi [name as transliterated] Aluminum Products Company, and the Aoli [name as transliterated] Cable Group. Through trade talks, both sides further defined the targets for cooperation and determined a number of "focus" projects embodying

their common aspirations. The Australian side expressed great interest in the projects for cooperatively developing the light industry and the building industry and cooperatively producing aluminum products, and also was much interested in the agreement on purchasing Liaoning's forklifts. Six large companies in Australia decided to send groups to Liaoning in May to conduct on-the-spot inspections. The officers of the Australian trade commission told Gu Jinchí that the Australian trade commission had decided to shift the focus of cooperation onto China's northeast areas, particularly Liaoning.

Our province and Malaysia supplement each other in terms of geographic positions, natural resources, technology, and culture. Particularly, over the past few years, Malaysia has been economically developed, registered a high economic increase, kept inflation under control, and accumulated much capital. Thus, a considerable number of enterprises there are in urgent need of pioneering new markets and further seeking international cooperation partners. Initiated by the government, many entrepreneurs and men of insight in Malaysia have designated the focus of their investment in Liaoning on state-owned large and medium-sized enterprises and the enterprises whose production orientation has been changed from military products to civilian products. They acknowledged that these enterprises will provide them with favorable opportunities for development. The Malaysian Government, entrepreneurs, and men of insight announced this policy intent after conscientiously studying China's national situation and industrial policies. They will adopt some practical measures to implement it.

The delegation grasped all favorable opportunities to keep contacts with senior government officers, and personages of all circles, particularly the industrial and commercial entrepreneurs; successively established contacts with more than 300 entrepreneurs and financial group leaders; held talks on 47 projects; and signed three contracts and 10 feasible memorandums and agreements on cooperatively developing projects and establishing friendship ties. Large projects signed through the talks included: Joint investment to expand the Shenyang Taoxian International Airport, transfer of the right to management of sections of the Shenyang-Dalian Expressway, joint investment to build a container manufacturing plant in Malaysia, use of Liaoning's complete sets of cement production equipment and Malaysia's natural resources to build a cement plant with an annual production capacity of 600,000 tonnes of cement, and use of foreign loans to build the Zhuanghe Power Plant and the Pushihe Hydropower Station.

Southeast Asia & Pacific

PRC: Beijing, Burma Sign Contract on Wharf Project

OW2105040296 *Beijing XINHUA in English*
0319 GMT 21 May 96

[FBIS Transcribed Text] Yangon, May 21 (XINHUA) — The Yunnan Machinery Equipment Import and Export Corporation (YMEC) of China today signed here a contract with the Myanmar Port Authority to carry out the Bo Aung Gyaw wharf extension project in Yangon [Rangoon], the capital of Myanmar [Burma].

It is the first time ever for a Chinese company to solely undertake such a project.

According to the contract, the project will cost about 30 million US dollars and the YMEC is to design and build a wharf that can handle container ships and the project should be completed within 21 months.

Meanwhile, C and P Holdings Pte Ltd of Singapore also signed a contract with Myanmar early last June for building two container terminals at Thilawa port in Yangon that calls for investment of 48.16 million US dollars initially.

PRC: Cambodian King Sihanouk Arrives in Beijing

OW1805071996 *Beijing XINHUA in English*
0706 GMT 18 May 96

[FBIS Transcribed Text] Beijing, May 18 (XINHUA) — Cambodian King Norodom Sihanouk and Queen Norodom Monineath Sihanouk arrived here today for recuperation after winding up their official visit to France.

Tang Jiaxuan, Chinese vice-foreign minister, Khék Sysoda, Cambodian ambassador to China, and Chu Chang-chun, ambassador of the Democratic People's Republic of Korea to China, were among those greeting the Cambodian king and queen at the airport.

PRC: Vice Foreign Minister Li Leaves for Papua New Guinea

OW1905135296 *Beijing XINHUA in English*
1231 GMT 19 May 96

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — Chinese Vice-Foreign Minister Li Zhaoxing left here today for Papua New Guinea to attend the fourth political consultation between officials of the foreign ministries of the two countries.

PRC: Zhu Rongji Meets With Thai Prime Minister

OW1705162296 *Beijing XINHUA in English*
1523 GMT 17 May 96

[FBIS Transcribed Text] Bangkok, May 17 (XINHUA) — Thai Prime Minister Banhan Sinlapa-acha told visiting Chinese Vice Premier Zhu Rongji here today that Thailand attaches great importance to cooperation with China in all fields.

During a meeting this morning at the Government House, Banhan said economic and trade cooperation between the two countries are developing rapidly.

Banhan also said that the two countries are also having good cooperation in international and regional affairs.

He added that thanks to China's support, the Asia-Europe Meeting was a great success.

He expressed appreciation of China's external policy of peace and friendship.

The Thai prime minister also backs China's entry into the World Trade Organization.

On the occasion, Zhu Rongji said China hopes to further develop bilateral relations with Thailand in all fields, in particular in economic and trade fields.

Zhu said the two countries have great potentials in expanding mutually beneficial economic and trade cooperation.

Zhu said many Thai business people have made investments in China and most of them have been successful.

Expressing appreciation of Thailand's policy of encouraging investment in China, Zhu said China also encourages Chinese investment in Thailand.

Zhu said China hopes to increase cooperation with Thailand in the Mekong River subregion, Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting and other multilateral organizations.

Zhu said that China hopes to be a good neighbor and good friend of Thailand and to develop, through joint efforts with Thailand, closer and mutually beneficial cooperation between the two sides.

PRC: Zhu Rongji Meets Counterparts in Thailand

OW1705165496 *Beijing XINHUA in English*
1603 GMT 17 May 96

[FBIS Transcribed Text] Bangkok, May 17 (XINHUA) — Visiting Chinese Vice Premier Zhu Rongji today met respectively with his Thai counterparts Amnuai Wirawan and Chawalit Yongchaiyut and exchanged views with them on questions of common concern.

The talks held this morning between Zhu and Thai Deputy Prime Minister Amnuai focused on economic cooperation between the two countries.

They also discussed subregional cooperation in the upper reach of the Mekong River and construction of an international railway in the region.

Zhu later met with Thai Deputy Prime Minister and Defence Minister Chawalit and Zhu spoke highly of Chawalit's contribution to the promotion of friendship and economic and cultural exchanges between the two countries.

Chawalit said that as an old friend of China, he will do his best to promote the friendly cooperation between Thailand and China.

Zhu also met President of the Thai National Assembly Boon-eua Prasertsuwan [name as received] this afternoon.

PRC: Zhu Rongji Meets Thai King

*OW1705165196 Beijing XINHUA in English
1640 GMT 17 May 96*

[FBIS Transcribed Text] Bangkok, May 17 (XINHUA) — King of Thailand Phumiphon Adunyadet met visiting Chinese Vice-Premier Zhu Rongji at Dusit Palace here this afternoon.

During the meeting, Zhu began by conveying Chinese President Jiang Zemin's cordial regards to the King and warmly congratulated the King on the 50th anniversary of his ascension to the throne this year.

The King asked Zhu to convey his cordial regards to Deng Xiaoping, Jiang Zemin and other Chinese leaders.

Zhu said that it was thanks to the King's personal concern that Sino-Thai friendly relations have developed so well, adding that the King has made outstanding contributions to Sino-Thai friendship.

The King said that during the last two decades, Thai-Chinese friendship witnessed further development and strengthening.

The King said maintaining and developing Thai-Chinese friendship is important not only to the peoples of Thailand and China, but also to the peace and development of the entire region.

The King and Zhu also exchanged views on issues of common concern.

Present on the occasion were Vice-Premier Zhu's wife Lao An, Deputy Secretary-General of the State Council Zhou Zhengqing, Finance Minister Liu Zhongli, Gover-

nor of the People's Bank of China Dai Xianglong, and Chinese Ambassador to Thailand Jin Guihua.

Also present was Thai Deputy Prime Minister Amnuai Wirawan.

PRC: NPC Vice Chairman Meets Thai Delegation

*OW2005110696 Beijing XINHUA in English
0640 GMT 20 May 96*

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Tomur Dawamat, vice-chairman of China's National People's Congress (NPC) Standing Committee, met here today with a delegation from the Committee on Foreign Affairs of the Thai House of Representatives led by its Chairman Suwat Liptapanlop [name as received].

The 30-member strong delegation arrived here May 18 on a goodwill visit to China at the invitation of the NPC Foreign Affairs Committee.

Chairman of the NPC Foreign Affairs Committee Zhu Liang held talks with the Thai delegation Sunday [19 May].

PRC: Vice Premier Meets Thai Delegation

*OW2005111996 Beijing XINHUA in English
1101 GMT 20 May 96*

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Vice-Premier Li Lanqing met here today with a delegation from the Committee on Foreign Affairs of the Thai House of Representatives led by its Chairman Suwat Liptapanlop [name as received].

The 30-member strong delegation arrived here May 18 on a goodwill visit to China at the invitation of the Foreign Affairs Committee of China's National People's Congress.

Near East & South Asia

PRC: Jiang Zemin Visits Egypt's Industrial City

*OW1905102696 Beijing XINHUA Domestic Service
in Chinese 1541 GMT 15 May 96*

[By reporters Tang Jihong (0781 4949 4767) and Liu Shun (0491 7311)]

[FBIS Translated Text] Cairo, 15 May (XINHUA) — Chinese President Jiang Zemin visited Egypt's important industrial base — the "10th Ramadan Industrial City" this morning.

At about 1000, Jiang Zemin and his party arrived at the general headquarters of the management agency of the 10th Ramadan City, 50 km east of Cairo and were warmly welcomed by Minister of Housing,

Utilities, Reconstruction, and New Communities Mohammad Soliman, Eastern Province Governor Husayn Kazim [name as transliterated], and 10th Ramadan Management Agency President Mohammad Said [name as transliterated], who were waiting at the headquarters' gate.

The host held a grand welcoming ceremony at the headquarters' auditorium. Rida Helalmi [name as transliterated], president of the Association of Investors, briefed President Jiang and his party on the industrial city's development.

The 10th Ramadan Industrial City, which is situated in the desert hinterland, is one of the new-type industrial satellite cities the Egyptian Government began building in 1975, with an view to conquering desert, attracting Arab and foreign investments, and creating new job opportunities for its citizens. In the last 20 years since then, two of the industrial city's four phases of construction have been completed. In the desolate desert of a total area of 398 square km, 1,459 factories have now been set up, of which more than 700 have gone into operation, with an annual output totaling 11 billion Egyptian pounds (about \$3 billion.) With the completion of all the four phases of construction, the industrial city will have 3,500 industrial projects, 100,000 residential houses, and a population of 500,000 people.

After hearing the briefing, Jiang Zemin said: "I wish a better development to the industrial zone. China and Egypt are friendly countries and entrepreneurs of the two countries will surely better cooperate with each other in building some projects on the basis of equality and mutual benefit." At conclusion, Jiang Zemin said in Arabic: "Shukran! (Thank you!)" He was warmly applauded by the Egyptian entrepreneurs on the spot.

Under the host's careful arrangement, President Jiang and his party visited two factories, which were the most representational of the industrial city — the Cleopatra Porcelain Tile Factory and the Carpet Factory. In the porcelain tile factory named after Cleopatra, the famous queen of Egypt during the Pharaoh years, after looking at, with great interest, the ground tiles, wall tiles, sanitary porcelains, and art porcelains produced by the factory, Jiang Zemin highly praised the outstanding achievements of Egypt's economic reform.

In the carpet factory, Jiang Zemin and his accompanying personnel were profuse in praise for a tapestry with a well-knitted Jiang Zemin's portrait on it. The lifelike Jiang Zemin portrait tapestry expresses not only the profound feelings of the factory's technical personnel for President Jiang but also the friendly affection of the Egyptian people for the Chinese people.

PRC: UAE President Hosts Wu Bangguo

OW1905234996 Beijing XINHUA in English
2000 GMT 19 May 96

[FBIS Transcribed Text] Abu Dhabi, May 19 (XINHUA) — President of the United Arab Emirates (UAE) Shaykh Zayid Bin-Sultan Al Nuhayyan today expressed his support to China's unification policy.

The president made the remarks while meeting visiting Chinese Vice-Premier Wu Bangguo, who arrived here Thursday [May 16].

The president stressed that he supports China's position on unifying the motherland, saying that the Chinese Government has the ability to achieve unification.

Wu briefed the president on China's policies of reform and opening-up as well as its economic situation.

Sheikh Zayid spoke highly of China's achievement, which can serve as an example for other developing countries across the world.

The UAE president also expressed the hope to strengthen the existing friendship between his country and China.

This is Wu's last leg of his Middle East tour, which has taken him to Jordan, Syria and Yemen.

Wu extended to Sheikh Zayid an invitation from Chinese President Jiang Zemin to visit China.

Wu voiced satisfaction with the development of bilateral relations between China and the UAE since the establishment of diplomatic relations in 1984, expressing the hope for a further development of friendly cooperation in all fields.

PRC: Sun Fuling, Pakistani Speaker Celebrate 45 Years of Ties

OW1805010796 Beijing XINHUA in English
2216 GMT 17 May 96

[FBIS Transcribed Text] Karachi, May 17 (XINHUA) — The Sino-Pakistan friendship is a model for the development of relations among countries with different social systems, a visiting senior Chinese official said here this evening.

During his talks here with Speaker of the Sindh Assembly Ghous Buksh Khan Maher, Vice Chairman of the Chinese People's Political Consultative Conference (CPPCC) Sun Fuling, said that China and Pakistan enjoy all-weather friendship.

Sun said, "Pakistan is one of the countries which established diplomatic relations with China just after the founding of the People's Republic of China in 1949."

China and Pakistan declared the establishment of diplomatic relations in Beijing and Karachi, the then capital of Pakistan, respectively on May 21, 1951.

Sun said, "strengthening friendly ties with our neighboring countries is one of China's major foreign policies."

Maher said on the occasion that Sun's visit will further promote the traditional friendship between Pakistan and China.

Pakistan has been putting the development of friendly ties between Pakistan and China on the top of its foreign policy agenda, Maher said.

Sun said that the development of relations among nations should base on the five principles of peaceful co-existence, just like the ties between China and Pakistan.

Leading an eight-member CPPCC delegation, Sun is on an eight-day goodwill visit to Pakistan, which will highlight the celebrations of the 45th anniversary of the establishment of diplomatic ties between the two countries.

PRC: CPPCC Vice Chairman Meets With Pakistani Official

*OW1805164496 Beijing XINHUA in English
1604 GMT 18 May 96*

[FBIS Transcribed Text] Karachi, Pakistan, May 18 (XINHUA) — China is advocating its businessmen to invest in Pakistan, helping the friendly neighbor develop its economy, a visiting senior Chinese official said here today.

In his meeting with Sindh Chief Minister Syed Abdullah Shan [name as received] here this evening, Sun Fuling, vice chairman of the Chinese People's Political Consultative Conference (CPPCC), said that he will convey Shan's proposals to China's relevant departments.

On the occasion, Shan expressed the hope that China could invest in the agricultural sector of Pakistan.

He stressed that the Pakistan government is pursuing the policy of attracting foreign investment in all sectors of the Pakistani economy.

Sun said that China is also focusing its attention to the agricultural sector, which is the foundation of the economy.

On the occasion, both Sun and Shan expressed the hope that the traditional friendship between China and Pakistan will be further enhanced.

Leading an eight-member (CPPCC) delegation, Sun is on an eight-day goodwill visit to Pakistan, which will highlight the celebrations of the 45th anniversary of the establishment of Sino-Pakistan diplomatic ties.

Sun will also meet Pakistan's Sindh governor Azfar Kamal [name as received] this evening.

PRC: Pakistan's Governor Meets CPPCC Delegation

*OW1805172796 Beijing XINHUA in English
1722 GMT 18 May 96*

[FBIS Transcribed Text] Karachi, Pakistan, May 18 (XINHUA) — Azfar Kamal [name as received], governor of Pakistan's Sindh province met Sun Fuling, vice chairman of the Chinese People's Consultative Conference (CPPCC) at the his residence here this evening.

Leading an eight-member CPPCC delegation, Sun is on an eight-day goodwill visit to Pakistan, which will highlight the celebrations of the 45th anniversary of the establishment of Sino-Pakistan diplomatic ties.

Sun had met some Pakistan businessmen in Karachi this noon and Sindh Chief Minister Syed Abdullah Shan this evening.

The Chinese guests will leave for Islamabad tomorrow morning to continue their visit.

PRC: CPPCC Delegation Arrives in Islamabad

*OW1905145296 Beijing XINHUA in English
1346 GMT 19 May 96*

[FBIS Transcribed Text] Islamabad, May 19 (XINHUA) — A high-level delegation led by Sun Fuling, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), arrived here today to continue its eight-day goodwill visit to Pakistan.

The delegation was met by Pakistani Secretary of Senate Muhammad Yaqoob Khan Nasir and Chinese Ambassador to Pakistan Zhang Chengli at the Islamabad Airport.

The eight-member delegation completed its three-day tour of Karachi, the first leg of its visit in Pakistan, where it had meetings with Pakistan's Sindh governor, Sindh chief minister and the speaker of Sindh Assembly.

During its stay in Islamabad, the delegation will meet with Pakistan Senate Chairman Wasim Sajjad and National Assembly Speaker Syed Yousaf Raza Gilani.

The delegation will attend receptions given by the Chinese Embassy here and the All Pakistan-China Friendship Association in celebration of the 45th anniversary of the establishment of diplomatic ties between China and Pakistan.

Sun Fuling will also attend a ribbon-cutting ceremony of a photo exhibition on the 45-year friendship between the two countries.

PRC: Jiang Zemin, Li Peng, Qiao Shi Greet Pakistani Counterparts

BK2005160996 Beijing China Radio International in Urdu 1600 GMT 19 May 96

[FBIS Translated Text] Chinese President Jiang Zemin, Prime Minister Li Peng, and Qiao Shi, chairman of the Standing Committee of China's National People's Congress, today sent separate messages to Pakistani President Farooq Ahmad Khan Leghari, Prime Minister Benazir Bhutto, and National Assembly Speaker Yusuf Raza Gilani respectively, greeting them on the 45th anniversary of the establishment of diplomatic ties between Pakistan and China. Please listen to the three messages separately.

President Jiang Zemin says in his message: Mr. Farooq Ahmad Khan Leghari, president of the Islamic Republic of Pakistan: I, on my own behalf and on behalf of the Chinese people, extend my warmest greetings to you and, through you, to the brotherly people of Pakistan on the 45th anniversary of the establishment of diplomatic relations between the People's Republic of China and the Islamic Republic of Pakistan. The history of friendship between the people of China and Pakistan is very old and is based on strong foundations.

The establishment of diplomatic ties between China and Pakistan 45 years ago opened a new chapter in bilateral relations. Since then, cordial, good-neighborly, friendly, mutually beneficial, and cooperative relations between the two countries have continued to grow on the basis of the five principles of mutual coexistence. It can also be said that Sino-Pakistani ties are a model for a relationship between two countries with different social systems. I am confident that our bilateral relations will positively grow, expand, and further deepen as a result of the joint efforts of the governments and the people of the two countries. May the friendship between China and Pakistan remain evergreen!

Prime Minister Li Peng today sent a message to Prime Minister Benazir Bhutto of the Islamic Republic of Pakistan. His message reads: I, on behalf of the government and the people of China and on my own behalf, extend warm greetings and best wishes to you and to the government and the people of Pakistan on the 45th anniversary of the establishment of diplomatic ties between China and Pakistan. Pakistan was one of the first countries that had established diplomatic relations with China. Despite major changes in the international situation and in the conditions of our

respective countries during the past 45 years, cordial, good-neighborly, and friendly ties between the two countries have continued to grow smoothly through the joint efforts of the several generations of leaders and the people of the two countries. The two countries have had fruitful cooperation in the political, economic, trade, scientific and technical, and cultural fields. Past events have proved that Sino-Pakistani friendship has stood every test of time. It is the Chinese Government's resolute and unwavering policy to further strengthen friendly and cooperative relations with Pakistan. I hope that Sino-Pakistani relations will continue to grow in the days ahead. I wholeheartedly wish to see Sino-Pakistani friendship continuing for generations to come.

Qiao Shi, chairman of the Standing Committee of China's National People's Congress, yesterday [as heard] sent a message to the Pakistani National Assembly speaker, saying: I, on behalf of the Standing Committee of China's National People's Congress and on my own behalf, extend my warm greetings and best wishes to you and, through you, to the National Assembly of Pakistan on the 45th anniversary of the establishment of diplomatic relations between the People's Republic of China and the Islamic Republic of Pakistan. The friendly cooperation between China and Pakistan has made remarkable progress since the establishment of diplomatic ties as a result of the joint efforts of various governments and the people of the two countries. Friendly exchanges between the Standing Committee of China's National People's Congress and Pakistan's National Assembly continued to increase, and cooperative relations became closer day by day. My visit to Pakistan in November last year left pleasant and deep impressions on my mind. I wholeheartedly wish that the friendly and cooperative relations between the two countries and between the Standing Committee of China's National People's Congress and the Pakistani National Assembly will grow stronger in the years to come. Let us carry forward the Sino-Pakistani friendship into the 21st century!

PRC: Celebration Held To Mark Anniversary of Ties With Pakistan

OW1905163196 Beijing XINHUA in English 1625 GMT 19 May 96

[FBIS Transcribed Text] Islamabad, May 19 (XINHUA) — The Chinese Embassy here held a big reception this evening in celebration of the 45th anniversary of the establishment of diplomatic ties between China and Pakistan.

The reception was attended by some 280 guests including Sun Fuling, the visiting vice chairman of the National Committee of the Chinese People's Political Con-

sultative Conference, Pakistani Foreign Minister Sardar Asif Ahmad Ali, National Assembly Speaker Yusuf Raza Gilani, Defense Minister Aftab Shaban Mirani, and Chairman of All Pakistan-China Friendship Association Iqbal Shafi.

Talking with XINHUA on the occasion, the Pakistani foreign minister said, "It is the cornerstone of Pakistan's foreign policy to develop friendly relations with China."

"The Pakistani people cherish the Pakistan-China friendship," he said, adding that the two countries had close cooperation in various fields in the past decades.

He expressed his confidence that Pakistan and China can further develop their sound cooperation in all fields, especially the economic sector, in the future.

Guests at the reception expressed their hope that the traditional friendship between China and Pakistan will be further enhanced.

May 21, 1996 is the 45th anniversary of the establishment of diplomatic ties between China and Pakistan.

A series of celebrations are scheduled in both countries these days.

PRC: Pakistani Speaker Sends Anniversary Message to Qiao Shi

*OW1905172196 Beijing XINHUA in English
1719 GMT 19 May 96*

[FBIS Transcribed Text] Islamabad, May 19 (XINHUA) — Sino-Pak relations have made tremendous progress in the political, economic, scientific, technological and cultural fields, said Speaker of Pakistan's National Assembly Yusuf Raza Gilani today.

The remarks were contained in a message of felicitations to Qiao Shi, chairman of the Standing Committee of China's National People's Congress, on the occasion of the 45th anniversary of the establishment of diplomatic ties between Pakistan and China.

Extending cordial greetings and heart-felt felicitations to Qiao, Gilani said that due to the joint efforts made by the governments, national legislatures and peoples of the two countries over the past 45 years, Pak-China relations have made tremendous progress in all fields.

He said that this has been made possible by the fact that both countries continue to adhere to the principles of mutual respect and non-interference in each other's internal affairs.

The two countries have also cooperated closely on major international issues and jointly promoted the cause of regional and international peace, he noted.

Gilani said that despite many changes in the international arena, the friendship between China and Pakistan has remained steadfast, standing the test of time.

He said that the government and people of Pakistan deeply value China's support in times of need and congratulate the Chinese government and people for their remarkable success in economic reforms and other fields.

Several Chinese government and non-government delegations have arrived in Pakistan to celebrate the anniversary while functions are being held by different Pakistan organizations to mark the occasion.

PRC: CPPCC Delegation Meets With Pakistani Senate Chairman

*OW2005170596 Beijing XINHUA in English
1655 GMT 20 May 96*

[FBIS Transcribed Text] Islamabad, May 20 (XINHUA) — The new international situation requires Pakistan and China to cooperate more closely to jointly counter some foreign pressure, said Pakistan's Senate Chairman Wasim Sajjad [name as received] here this evening.

In a meeting with a high-level Chinese delegation led by Sun Fuling, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), Sajjad said Pakistan and China share common or similar views on various international issues.

Some western countries have been trying to make trouble to China on the issues of human rights, Tibet, Hong Kong and Taiwan, he said.

Pakistan and China have no conflict on basic issues, he stressed, adding that Pakistan will continue supporting China in the regional and international arena.

"Pak-China friendly ties will help sustain and develop the world peace," he said. "It is the cornerstone of Pakistan's foreign policy to develop friendly ties with China."

He pointed out two prominent features of the development of Pak-China friendship, one of which is the successful cooperation in the industrial field.

He expressed the hope that the two countries will further develop their economic and trade ties.

The other feature, he said, is the frequent exchange of visit by the leaders of older and present generations of Pakistan and China, which has been conducive to the development of bilateral ties.

Sun Fuling said that during the past 45 years, Sino-Pak relations have been developed very smoothly.

"The friendly relations of cooperation between China and Pakistan have become a model for countries with different social systems to develop their relations," he stressed.

Generally speaking, the world situation is moving towards peace, he said, adding that peace and development are still the two main themes in the world today.

However, there are still some countries pursuing hegemonism, he said.

"China upholds peace and believes that to strengthen and develop relations with the neighboring countries will be conducive to the stability and development in the region and the world as a whole," he stressed.

On the Kashmir issue, Sun expressed the hope that Pakistan and India will solve the Kashmir problem in accordance with the relevant UN resolutions as well as the Simla agreement.

After the meeting, Sajjad hosted a dinner in honor of Sun Puling.

PRC: Supreme Court Head Ren Jianxin Meets Indian Counterpart

OW1805081396 Beijing XINHUA in English
0659 GMT 18 May 96

[FBIS Transcribed Text] Beijing, May 18 (XINHUA) — Ren Jianxin, president of the Chinese Supreme People's Court, held working talks here today with A.M. Ahmadi, chief justice of the Indian Supreme Court.

During the talks, they briefed each other on the development of legality, court establishment and judicial procedures in their respective countries, and exchanged views on furthering bilateral cooperation in the judicial field.

Ahmadi is here as guest of Ren Jianxin.

PRC: Qiao Shi, Ren Jianxin Meet With Indian Chief Justice

OW1905141496 Beijing XINHUA in English
1352 GMT 19 May 96

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — To further strengthen Sino-Indian co-operation is of significance for promoting the development of the Third World, Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), said here today.

While meeting with visiting A.M. Ahmadi, chief justice of the Indian Supreme Court, Qiao said that China and India are both countries with ancient civilizations and big developing ones with large populations, adding that

the two countries initiated the five principles of peaceful coexistence together.

Qiao said that the frequent exchanges of visits between the leaders of the two countries in recent years have firmly pushed forward the friendly relations of cooperation between the two in all fields.

Strengthening Sino-Indian cooperation is of significance for promoting the development of the Third World, he stressed.

Qiao expressed the conviction that the visit by Ahmadi will enhance the mutual understanding between the judicial circles of the two countries, as well as promote the development of cooperation between the two judicial sectors.

India and China are neighbor countries with vast territories and large populations, Ahmadi said. Both are facing the same tasks of developing respective economy and eliminating poverty, in line with which, the two countries should continuously promote friendly relations, he added.

India and China have enhanced friendly relations of cooperation in recent years, and the bilateral ties based on the five principles of peaceful coexistence will contribute to world peace and prosperity, he said.

Ahmadi continued that India attaches great importance to its relations with China, saying the India visit by Qiao last year was a milestone in the development of relations between the two countries.

His China visit is aimed at promoting the friendly ties between the two countries and to learn about China's judicial system, he said.

Ren Jianxin, president of the Chinese Supreme People's Court, attended the meeting.

PRC: Prime Minister Li Peng Congratulates New Indian Counterpart

OW2005040096 Beijing XINHUA in English
0239 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Premier Li Peng today sent a telegram of congratulations to Indian Prime Minister Atal Behari Vajpayee on his assumption of office.

"I wish to extend, on behalf of the Chinese Government and people and in my own name, our sincere congratulations and wishes to Your Excellency," Li said in his message.

Li hopes that bilateral "friendly relations and cooperation based on the Five Principles of Peaceful Coexistence will further improve and grow stronger."

The development of friendly and good-neighborly relations between the two countries not only meets the fundamental interests of the two peoples, but also contributes to peace and stability in the region and the whole world, he said.

Vajpayee, leader of the Bharatiya Janata Party (BJP), which won in the 11th Lok Sabha (lower house of parliament) general elections from April 27 to May 7, was sworn in as prime minister Thursday [16 May].

The BJP secured 160 seats, emerging the single largest party in the 545-member house, while the former ruling Congress (I) Party headed by P.V. Narasimha Rao got only 126 seats.

PRC: NPC Vice Chairperson Meets Iranian Delegation

*OW2005112596 Beijing XINHUA in English
1109 GMT 20 May 96*

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chen Muhua, vice-chairperson of China's National People's Congress Standing Committee and President of All-China Women's Federation (ACWF), met with and hosted a dinner in honor of an Iranian women's delegation, here this evening.

The six-member Iranian delegation led by Ms. Shahla Habibi, advisor on women's affairs to the Iranian President, arrived here today at the invitation of the ACWF.

PRC: Nepali Foreign Minister Meets CPC Delegation

*OW2005085396 Beijing XINHUA in English
0801 GMT 20 May 96*

[FBIS Transcribed Text] Kathmandu, May 20 (XINHUA) — Nepali Foreign Minister Prakash Chandra Lohani today reiterated the Nepali government's consistent policy that it would never allow any activity against China on Nepali soil.

Meeting with a visiting delegation of the Communist Party of China (CPC) here today, the Nepali foreign minister spoke highly of China's economic progress, saying that the improvement of Chinese people's living standards was a proof of China's achievements in protecting human rights.

Recalling his visit to China accompanying Prime Minister Sher Bahadur Deuba last month, Lohani said that during his stay in China, he was impressed with China's rapid progress in economic development in recent years.

The five-member Chinese delegation led by deputy head of the CPC International Liaison Department Li

Chengren is leaving here today after a five-day visit to Nepal.

Sub-Saharan Africa

PRC: NPC's Chen Muhua Meets With Angolan First Lady

*OW1905140496 Beijing XINHUA in English
1231 GMT 19 May 96*

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — Chen Muhua, vice-chairperson of the Standing Committee of China's National People's Congress (NPC), met with the visiting Angolan First Lady Ana Paula dos Santos here today.

Chen, also chairperson of the All-China Women's Federation, extended a welcome to the visitor, expressing her admiration for the long-term and stable friendship and relations of co-operation between women and women's organizations of the two countries.

Chen also expressed thanks to the Angolan delegation for its support and co-operation during the UN Fourth World Conference on Women, hosted by China last year.

On behalf of the Chinese government, Chen thanked the Angolan government and people for their firm support to China in the field of human rights.

In particular, Chen briefed Mrs. dos Santos on the status and current situation of Chinese women.

Dos Santos expressed thanks for Chen's welcome, saying that her China tour is aimed at learning about China, especially about Chinese women, and studying their work experience.

They also talked about other issues of common concern.

PRC: Wife of Prime Minister Li Peng Meets Angolan First Lady

*OW2105005496 Beijing XINHUA in English
1354 GMT 20 May 96*

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Zhu Lin, wife of Chinese Premier Li Peng, had a cordial meeting with visiting Angolan First Lady Ana Paula dos Santos at the Great Hall of the People here this afternoon.

Zhu extended her warm welcome to Mrs. Dos Santos, who is on her first visit to China.

Mrs. Dos Santos said, "My current visit is mainly aimed at getting to know about China's achievements and experience in protecting the interests of women and children."

Zhu briefed the visitor on China's efforts to protect women and care about the next generation as well as the UN Fourth World Conference on Women held here last year.

Zhu said, the conference played a major role in enhancing the mutual understanding among women around the world and promoting the friendship and co-operation between Chinese women and women of other countries.

Zhu also expressed thanks on behalf of the Chinese people to Angola for its support for China during the recent UN session on human rights, when the Angolan government upheld justice, disapproving of the anti-China proposal made by the West.

Mrs. Dos Santos and her party arrived in Beijing on May 17 for a six-day visit to China at the invitation of the Chinese People's Association for Friendship with Foreign Countries.

PRC: Jiang Zemin, Malian President Meet

OW1905003996 Beijing XINHUA Domestic Service in Chinese 0433 GMT 18 May 96

[By reporters Liu Jiang (0491 3068), Cai Jintang (5591 6930 1016), and Lu Jing (4151 0513)]

[FBIS Translated Text] Bamako, 17 May (XINHUA) — Chinese President Jiang Zemin held talks with Malian President Alpha Oumar Konare at the conference hall here this afternoon. The leaders of the two countries agreed that continued efforts should be made to develop the existing friendly relations and cooperation between their countries and to tap new areas of cooperation.

During the talks, President Konare stressed: A stable, developing Mali will always be a friend to China. Mali hopes that China is strong and prosperous — a strong China is very important to Africa. He expressed the hope that Mali and China would build a future-oriented cooperative relationship in the current complex international situation.

Konare said: The long-term friendly relations and cooperation between Mali and China are based on the principles of peaceful coexistence, which are cherished by both sides. Politically, Mali and China hold similar or identical views on many international issues. Economically, Mali has been given much help from China. He said: "We understand that this is selfless assistance provided to us by China after it has overcome its own difficulties. This is a symbol of friendship and solidarity. We are grateful for this."

Konare pointed out: "Of special importance is that in providing assistance to Mali, China has always respected an African country like ours, as well as the

path that we have chosen on our own." He said: Mali attaches importance to developing friendly relations and cooperation with China. Mali and China have cooperated very well in some areas. He expressed the belief that President Jiang's current visit would further consolidate the two peoples' friendly relations.

Jiang Zemin said that he felt especially warm toward President Konare, whom he had a chance to meet again in Bamako today, after their last meeting in Wuhan, China at the end of 1992.

Jiang Zemin said: Mali was one of the first African countries that established diplomatic relations with China. In the 36 years since the establishment of diplomatic relations, especially in recent years, the international situation has undergone some changes, and so have China and Mali. Nevertheless, Sino-Malian friendship has experienced healthy and steady development throughout these years. As Your Excellency Mr. President said, this fully shows that Sino-Malian friendly relations and cooperation, which are based on the five principles of peaceful coexistence, are genuine, vital, and have stood the test of time and various hardships.

Jiang Zemin said: "Sino-Malian relations are a model of South-South cooperation. We greatly appreciate the importance Your Excellency Mr. President and the Malian Government attach to relations with China. We are genuinely delighted to have a friend like Mali, which has treated China in all sincerity decade after decade." He said: China will always be Mali's trusted friend. China is willing to share good times and bad with Mali, and hopes that the two will support each other and become all-weather friends.

Jiang Zemin expressed satisfaction with the fruitful economic cooperation and trade between China and Mali. He said: In the past, this kind of cooperation was mostly between governments. In recent years, China has introduced some reforms to its mode of foreign assistance in light of the changed situation. The main purpose is to gradually expand cooperation and to let enterprises from both sides play a greater role. China's principle of sincerely helping aid-recipient countries has not changed. Cooperation conducted by enterprises from both sides in accordance with the new mode has yielded initial results and has broad prospects.

Konare said: China has successfully completed many cooperative projects in Mali. These projects show that economic cooperation and trade between Mali and China are developing with each passing day. He expressed the hope that Mali and China would be able to explore new ways to develop cooperation between their small and medium enterprises.

Konare said: A member of some regional organizations in western Africa, Mali actively participates in regional political and economic affairs and is making vigorous efforts to promote Africa's integration. He said: "The African continent is currently undergoing a crucial period. We hope that China can play a more active role in Africa. For this reason, I think President Jiang's current visit to Africa is very important."

Konare said: "We African countries hope to build a new international political and economic order that is fair and rational. We have made unremitting efforts in this regard, and have gained China's support. We appreciate the Chinese Government's efforts to safeguard world peace."

Jiang Zemin said: The Chinese Government admires Mali's foreign policy of independence, peace, good-neighborliness, friendship, and nonalignment, and supports Mali's just stand of safeguarding national sovereignty and opposing interference by foreign countries. He spoke highly of Mali's tireless efforts to safeguard Africa's solidarity and promote Africa's economic integration.

Jiang Zemin said: Although Africa still faces some difficulties, it is generally moving toward stability, and its economy is taking a turn for the better. It is entering a historical period, during which it will seek stability and development. Judged from a long-term and strategic viewpoint, Africa is a continent full of hope. He said: The Chinese Government is willing to continue working with the Malian Government to build a new international political and economic order that is just and rational.

Jiang Zemin said: The Chinese Government admires the way the Malian Government and people devote themselves to safeguarding national stability and ethnic unity, and the way they solve domestic problems through peaceful means. It admires Mali's unremitting efforts to develop its economy and improve the living standards of its people. The Chinese Government respects the way the Malian Government and people have chosen their own political system and development path in light of their national conditions.

Jiang Zemin pointed out: "We believe that a country can make full use of its strengths and gradually change its state of poverty and backwardness only if it maintains social stability and adopts policies consistent with its conditions. We are glad to witness social stability in Mali and to see its people lead a peaceful life. We believe that Mali will overcome its temporary difficulties if it taps its potential with the continued support and assistance of the international community

and friendly countries. We wish the Malian people new achievements in national construction."

Jiang Zemin invited President Konare to visit China at a convenient time. Konare expressed his thanks for the invitation.

Chinese officials who took part in today's talks included Qian Qichen, State Council vice premier and foreign minister; Special Assistant Zeng Qinghong; Public Security Minister Tao Siju; and Wu Yi, foreign trade and economic cooperation minister. Malian officials who took part in the talks included Prime Minister Keita; Traore, minister of external relations, Malians abroad, and African integration; and other senior officials.

PRC: Jiang: Sino-Namibian Relations 'Growing in New Directions'

*OW1805232396 Beijing XINHUA in English
2212 GMT 18 May 96*

[FBIS Transcribed Text] Windhoek, May 18 (XINHUA) — Visiting Chinese President Jiang Zemin thanked here today Namibia for its support for China's economic development, nation-building and national reunification.

In a banquet given by Namibian President Sam Nujoma, Jiang said the Chinese government deeply values the traditional friendship between the two countries.

The Chinese government stands ready to join the Namibian government in making unremitting efforts to bring Sino-Namibian relations and cooperation to a new high, said Jiang, who arrived here earlier today for a state visit.

Nujoma said Namibia is ready to further consolidate the friendship with China on the basis of mutual interests, to expand areas of trade and technical cooperation, and to enhance consultations on bilateral, regional and international issues.

He said the Namibian-Chinese friendship remains strong and growing in new directions.

The continued Chinese technical assistance to Namibia symbolizes China's commitment to the existing bonds of friendship, solidarity and cooperation between the two countries, Nujoma said.

He reiterated that Namibia will "always steadfastly adhere to the 'one China' policy and looks forward to the return of Hong Kong next year and Macao in 1999 under the sovereignty and control of the People's Republic of China.

"It is our firm belief that Taiwan too, will, sooner rather than later, be re-united in a peaceful and satisfactory matter," he added.

Jiang commented that Namibia has played a positive role in facilitating a political settlement of the issues in southern Africa and promoting regional economic cooperation.

Through negotiations, he said, Namibia has successfully recovered the Walvis Bay and its offshore islands and achieved territorial integrity.

Jiang said that China notes with delight the fundamental changes in southern Africa, adding that China will continue to support Africa's just propositions and reasonable demands in international affairs and further strengthen its consultations and cooperation with the African nations so as to contribute its share to peace, stability and development on the African continent.

Nujoma said Namibia attaches great importance to South-South cooperation. He thanked China for its support to Namibia in the United Nations.

Africa and China enjoy a "special partnership" and there was never a conflict of any kind between Africa and China, he said, adding that China is a "trusted friend of long standing."

The Africa-China relationship is characterized by cooperation, mutual respect and solidarity, he noted.

PRC: Namibian President on 'Special Partnership' With Beijing

OW2005000296 Beijing XINHUA Domestic Service
in Chinese 0439 GMT 19 May 96

[By reporters Liu Jiang (0491 3068), Liu Yegang (0491 0048 0474), and Lu Jing (4151 0513)]

[FBIS Translated Text] Windhoek, 18 May (XINHUA) — Namibian President Sam Nujoma this evening gave a banquet in Windhoek to warmly welcome visiting Chinese State President Jiang Zemin. In his speech at the banquet, President Nujoma stressed that there is a "special partnership" between China and Africa. He pointed out that both sides had suffered from colonial rule and outside exploitation, and had waged protracted struggles for national independence. He said: There have never been conflicts between China and Africa, and China is a friend worth being trusted continuously by African countries. Their relations are built on the foundation of mutual benefits, mutual cooperation, mutual trust, and unity.

Nujoma said: Relations between Namibia and China can be traced back to the days when Namibians were waging protracted struggles for liberation and national independence. The Chinese Government, the CPC, and the Chinese people persistently offered moral and political support and generous material assistance to

the South West African People's Organization. He said: Since the establishment of diplomatic relations between the two countries, bilateral relations have been developing steadily and fully to the satisfaction of both sides.

Nujoma said: Both Namibia and China have shown great concern for world peace, political stability, trade, and social and economic development. Namibia holds that the consolidation of peace and stability is absolutely necessary for regional reconstruction and development, and China holds similar views. He said: During President Jiang Zemin's current "important and timely" visit, the two sides will continue to discuss these issues.

Nujoma said: At present, the world is casting attention on the Far East and Southeast Asia. "Your region, especially China, has become a center for trade and investment activities and has gained significant growth and employment opportunities." He said: Toward this kind of development, Africa and Namibia are not only watching but also doing their best to study and explore methods and ways to follow the successful experience. This kind of development has a great potential in the world as well as the region, including the potential of the further development of a common market between China and southern Africa and, in particular, the development of relations between China and Namibia.

Nujoma said: "Learning from each other to meet the challenge of economic and trade development and the transfer of knowledge and technologies is extremely important to developing countries. China has been constantly providing technological assistance to Namibia, and this is a very good demonstration of cooperation. This kind of assistance shows your determination to maintain our existing friendship and unity and our link of cooperation." He said: We should encourage people of our two countries to explore meaningful ways of cooperation in trade, joint ventures, and transfer of technologies. We have a good beginning in this respect, and we must continue to strengthen our efforts.

Nujoma noted that, facing the arrival of the new century, Namibia is willing to further consolidate friendship between the two countries on the basis of mutual benefits; expand the scope of trade, joint ventures, and exchange of technologies; and strengthen consultations on bilateral, regional, and international issues of common concern. The two sides can also promote contacts and visits between people of the two countries through sport, cultural, and academic exchanges.

President Jiang Zemin also made a speech at the banquet. He said: The Namibian people cherish independence and freedom, have waged heroic struggles for

their independence and national liberation, made special contributions to realizing the historical mission of decolonization in the African continent, and won universal praises from the international community, including China. Namibia is a young country with great vigor, and the people of Namibia are industrious and heroic. Since independence, the Namibian Government and people have, under the leadership of President Nujoma, worked hard to achieve national unity, maintain social stability, develop the national economy, and improve the people's living standard. They have made eye-catching achievements.

Jiang Zemin said: Namibia has actively taken part in regional and international affairs, and has played a positive role in promoting a political solution to problems in southern Africa and the development of regional economic cooperation. He said: Namibia has smoothly recovered Walvis Bay and the coastal islands through talks and achieved territorial integrity. The Chinese Government and people are truly happy and admire the achievements made by the Namibian Government and people.

Jiang Zemin said: Namibia and China are far away, separated by the oceans, but there is a long history of friendship between their people. The Chinese and Namibian people have supported and sympathized with each other and formed profound friendship since the Namibian people's struggle for national independence. President Nujoma is an old friend of the Chinese people who has made important contributions to the establishment and development of relations between the two countries. Since the establishment of diplomatic relations between the two countries, there have been frequent contacts between them at a high level, economic cooperation between them has scored very good results, and the two have cooperated closely in international affairs.

Jiang Zemin said: The Chinese Government highly appreciates and is grateful to the Namibian Government and people for their support to China in its economic development, national construction, and the grand cause of reunifying the motherland. Here, I wish to reiterate that the Chinese Government very much cherishes the traditional friendship between the two countries and is willing to work hard with the Namibian Government to raise the relations of friendship and cooperation between the two countries to a new high level.

Jiang Zemin said: In recent years, positive changes have taken place in Africa. Most African countries have maintained political stability, and some have made economic progress. The people want peace, the countries want stability, and economic development has

become the main trend in Africa. The African continent has entered a new historical period of seeking political stability and promoting economic development.

Jiang Zemin said: "We are very happy to see that fundamental changes have taken place in the situation of southern Africa. The birth of a new South Africa has ended the rule by the racists for several hundred years. Mozambique has realized peace, which the people had been expecting for many years, and has entered a new period of economic construction. Angola has made major progress in the course of peace. China has maintained traditional friendship with the overwhelming majority of African nations, and has developed fruitful cooperation with them in the fields of economic development, trade, science and technology, culture, and public health."

Jiang Zemin emphatically pointed out: The friendly relations between China and Africa have gone through tests by time and changes in the international situation. Under the new international situation, China will, as always, continue to support the just stand and reasonable demands of the African countries in international affairs; further strengthen negotiations and cooperation with African countries; and make due contributions to promoting peace, stability, and development in the African continent.

The banquet was held at the Windhoek Country Club Hotel where Jiang Zemin and the Chinese delegation members are staying. Qian Qichen, vice premier of the State Council and concurrently minister of foreign affairs; Zeng Qinghong, special assistant; Tao Siju, minister of public security; Wu Yi, minister of foreign trade and economic cooperation; and other members of the Chinese delegation attended the banquet. Senior Namibian officials, including Prime Minister Geingob and Foreign Affairs Minister Gurirab, also attended to help entertain the Chinese guests.

PRC: Jiang Zemin Meets With Namibian Prime Minister Geingob

*OW1905102196 Beijing XINHUA in English
0956 GMT 19 May 96*

[FBIS Transcribed Text] Windhoek, May 19 (XINHUA) — Namibian Prime Minister Hage Geingob said here today that the current visit of Chinese President Jiang Zemin to Namibia is a historic one.

In a meeting with Jiang this morning, Geingob said Namibia attaches importance to South-South cooperation. He added that a focus of Namibia's economic constructions is to strengthen cooperation with Asian countries.

Therefore, he said, Namibia particularly wants to develop economic cooperation and trade ties with China in various spheres.

The prime minister pointed out that China has rich experiences in fighting drought which Namibia can learn and benefit from.

Jiang, who met Geingob in Beijing in 1991, said he was happy to meet Geingob here again. He said he is looking forward to an in-depth exchange of views with President Sam Nujoma on issues of common concern.

Jiang noted that the hospitality he receives in this country embodies the friendly and brotherly ties between the peoples of the two countries.

The Chinese leader praised the Namibian government for having made big efforts and achievements in safeguarding the country's sovereignty and territorial integrity, realizing reconciliation and unity among different ethnic groups, as well as in developing the national economy.

Jiang briefed Geingob on the irrigational projects in China and he welcomes Namibia's technicians to have on-the-spot inspections on China's irrigation works.

Jiang arrived here on Saturday [18 May] for a state visit. He is scheduled to hold talks with President Nujoma later this morning.

PRC: Jiang Zemin Meets With Namibian President Sam Nujoma

OW1905135896 Beijing XINHUA in English
1232 GMT 19 May 96

[FBIS Transcribed Text] Windhoek, May 19 (XINHUA) — Visiting Chinese President Jiang Zemin has urged that the developed countries should make more contributions to the development of Africa.

During talks with Namibian President Sam Nujoma here this morning, Jiang said China is willing to strengthen consultations and work closely with Africa in international affairs and supports African countries' participation in international affairs on an equal footing.

China stands ready to join African countries to face the 21st century by treating each other equally, sincerely and friendly, and by uniting and cooperating with each other to seek common development, Jiang noted.

Jiang reiterated that to strengthen unity and cooperation with African countries constitutes an important part of China's foreign policy as well as the basic point of China's policy on Africa under the new international situation.

Nujoma said Namibia appreciates the Chinese government's policy on Africa. He said he believes the current visit of Jiang will usher in a new period of Africa-China relations.

On Sino-Namibian ties, Jiang said the two countries have established the brotherly ties of mutual trust. He recalled that the two countries set up diplomatic relations just one day after Namibia became independent on March 21, 1990.

Jiang said that China is willing to make joint effort with Namibia to further consolidate and develop the friendly relations and cooperation in all fields.

Nujoma said it is of utmost importance that countries of the South strengthen cooperation of mutual benefit under the current complicated international situation.

In this context, he said, Jiang's visit to Africa is very important.

Nujoma noted that the economic and technological cooperation between his country and China has been satisfactory. He added that the assistances China provided have played an important role in Namibia's economic and social development.

Jiang told Nujoma that the Chinese government will continue to encourage Chinese enterprises to conduct economic cooperation in Namibia. He called for joint efforts of the two countries to expand bilateral trade ties.

Nujoma said Namibia attaches importance to the cooperation with China in industry, irrigation, farming, education, health care and other areas. He expressed hope for continuing Chinese assistance in these areas.

PRC: Jiang Zemin, Namibia's Sam Nujoma Attend Agreement Signing

OW1905143496 Beijing XINHUA in English
1351 GMT 19 May 96

[FBIS Transcribed Text] Windhoek, May 19 (XINHUA) — The Chinese and Namibian governments today inked an agreement on economic and technical cooperation in an effort to promote bilateral economic and trade ties.

According to the pact signed here, China will provide an assistance of 10 million Chinese Yuan (about 1.2 million U.S. dollars) to Namibia, to be used in the implementation of projects agreed upon or in the acquisition of general goods.

Visiting Chinese President Jiang Zemin and Namibian President Sam Nujoma witnessed signing of the accord, which was inked by Wu Yi, Chinese Minister of Foreign Trade and Economic Cooperation, and Saara

Kuugongelwa, Director General of Namibia's National Planning Commission.

PRC: Beijing, Namibia Sign Economic, Technical Agreement

*OW2005234996 Beijing XINHUA in English
1733 GMT 20 May 96*

[FBIS Transcribed Text] Windhoek, May 19 (XINHUA) — The Chinese and Namibian governments today inked an agreement on economic and technical cooperation in an effort to promote bilateral economic and trade ties.

According to the pact signed here, China will provide an assistance of 10 million Chinese Yuan (about 1.2 million U.S. dollars) to Namibia, to be used in the implementation of projects agreed upon or in the acquisition of general goods.

Visiting Chinese President Jiang Zemin and Namibian President Sam Nujoma witnessed signing of the accord, which was inked by Wu Yi, Chinese Minister of Foreign Trade and Economic Cooperation, and Saara Kuugongelwa, Director General of Namibia's National Planning Commission.

PRC: Jiang Zemin Ends Visit to Namibia

*OW2005141496 Beijing XINHUA in English
1353 GMT 20 May 96*

[By Liu Yegang]

[FBIS Transcribed Text] Windhoek, May 20 (XINHUA) — Chinese President Jiang Zemin left here this afternoon after having concluded his three-day state visit to Namibia.

Jiang was seen off at the Windhoek International Airport by Namibian President Sam Nujoma, Prime Minister Hage Geingob and other cabinet ministers.

A grand ceremony was held at the airport in which Jiang reviewed a guard of honor while a military band was playing the national anthems of the two countries.

During the visit here, Jiang had talks respectively with President Nujoma, Prime Minister Geingob and other Namibian government officials on means of promoting bilateral ties and economic cooperation between the two countries.

The two sides signed an agreement on economic and technical cooperation, under which the Chinese government will provide assistance to Namibia's economic development.

Namibia is Jiang's fifth leg of his on-going African tour which has taken him to Kenya, Ethiopia, Egypt and Mali. He will also visit Zimbabwe.

PRC: Jiang Zemin Arrives in Zimbabwe, Releases Statement

*OW2005170496 Beijing XINHUA in English
1659 GMT 20 May 96*

[FBIS Transcribed Text] Harare, May 20 (XINHUA) — Chinese President Jiang Zemin arrived here this afternoon for a three-day state visit to Zimbabwe to strengthen friendship and cooperation between the two countries.

Jiang was greeted at Harare International Airport by Zimbabwean President Robert Mugabe, Vice President Simon Muzenda and other high ranking officials and officers.

This is Jiang's first visit to Zimbabwe and also the first visit to the African country by a Chinese president.

In a written statement released upon his arrival, Jiang spoke highly of Zimbabwe's achievements in its national building and economic development as well as the constructive role it played in international affairs including the promotion of regional peace, stability and development.

"I have been looking forward to visiting Zimbabwe so that I can see with my own eyes the achievements made by its people in the construction of their country and learn some valuable experience," Jiang said.

Though geographically far apart, China and Zimbabwe have always enjoyed mutual respect, mutual support and close cooperation, thus forging a profound friendship, he noted.

He expressed hope that his visit will further enhance mutual trust and friendship and promote solidarity and cooperation.

Jiang and his entourage were accorded a 21-gun salute at a grand welcome ceremony held at the airport where national flags of the two countries were fluttering in breeze.

Accompanied by Zimbabwean Army Commander Musungu Zvinavashe and Commissioner of Police Augustine Chihuri, the Chinese president reviewed a guard of honour while a band played the national anthems of the two countries.

Jiang's entourage includes Chinese Vice-Premier and Foreign Minister Qian Qichen and Minister of Foreign Trade and Economic Cooperation Wu Yi.

Zimbabwe is the last leg of the Chinese president's six-nation African tour which has already taken him to Kenya, Ethiopia, Egypt, Mali and Namibia.

PRC: Zimbabwean President, Jiang Zemin Meet in Harare

OW2005233996 Beijing XINHUA in English
2002 GMT 20 May 96

[FBIS Transcribed Text] Harare, May 20 (XINHUA) — Zimbabwean President Robert Mugabe and Visiting Chinese President Jiang Zemin had a close-door meeting shortly after Jiang arrived here this afternoon.

Extending a warm welcome to Jiang, Mugabe said there have been long-lasting and close relations between Zimbabwe and China.

After Zimbabwe's independence, he said, the two countries have strengthened political and economic cooperation.

He told Jiang that Chinese technicians working in his country have impressed the Zimbabwean people deeply, because China's assistance is selfless, sincere and without preconditions.

Mugabe added that there is immense potential for Zimbabwean-Chinese cooperation in agriculture and exploration of resources.

Jiang spoke highly of Sino-Zimbabwean relations, saying that China's assistance to Zimbabwe will always be sincere.

He added that China hopes to explore new ways of the bilateral cooperation while consolidating the existing ties.

During the meeting, Jiang briefed Mugabe on China's efforts to establish the system of socialist market economy and China's economic situation.

He noted that China has scored visible economic growth because it has developed itself according to the country's real conditions.

Jiang and Mugabe are scheduled to hold talks tomorrow morning.

PRC: Jiang Zemin Vows To 'Open New Chapters' With Africa

OW2005233796 Beijing XINHUA in English
2111 GMT 20 May 96

[FBIS Transcribed Text] Harare, May 20 (XINHUA) — Visiting Chinese President Jiang Zemin said here today that China will work together with African countries to open new chapters of Sino-African friendship.

Jiang, who arrived here this afternoon on the last leg of his six-nation tour in Africa, made the remarks at the banquet hosted by Zimbabwean President Robert Mugabe.

Jiang said he has seen with his own eyes the untiring efforts the African countries and peoples have made in maintaining their political stability and economic growth and the achievements they have scored.

"I am confident that the African peoples who have won their independence and liberation can surely accomplish the development and prosperity of Africa," he said.

As a country with significant influence in Africa, Jiang added, Zimbabwe is playing an active and constructive role in African and even global affairs.

Through the concerted efforts, Jiang said, the friendly relations and cooperation in various fields between China and Zimbabwe will reach a new high.

In his speech, President Mugabe said Jiang's current visit is a "great and historic event."

"It is quite obvious that our two countries cherish the ever present need to exchange views and agree on areas of cooperation in an ever changing global, political and economic environment," Mugabe said.

He added that the business communities of the two countries will take on the challenge of further expanding their existing economic and trade ties.

Mugabe also noted that Zimbabwe fully supports the peaceful re-unification of China and will always adhere to the "one-China" policy.

Jiang had a close-door meeting shortly after his arrival. The two heads of state are scheduled to hold talks tomorrow.

West Europe

PRC: Anne Heseltine Donates to Beijing Children's Hospital

OW2005112196 Beijing XINHUA in English
0942 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Anne Heseltine, wife of British deputy prime minister Michael Heseltine, donated medical equipment and medicine worth 230,000 yuan to the Beijing Children's Hospital on behalf of the British Chamber of Commerce in China here today.

Mrs Heseltine is in Beijing accompanying her husband on a current China tour. The event, intended to promote children's health care in China, was attended by several major British medical equipment producers and pharmaceutical companies.

The Beijing Children's Hospital is the country's biggest children's hospital, and also the leading center for conducting children's health care in Beijing.

PRC: Li Lanqing, Heseltine Discuss WTO, Trade, Bilateral Ties

OW2005134596 Beijing XINHUA in English
1330 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Vice-Premier Li Lanqing said here today that it would be hard for the World Trade Organization (WTO) to fully play its role without China's participation.

Li made the remark while meeting with visiting British Deputy Prime Minister Michael Heseltine here today.

China needs the WTO for its reform and opening-up process while the WTO also needs China, Li said, adding that China's access to the WTO would not only serve the country's own interests, but also help with the establishment of a stable international trade order and the settlement of trade conflicts, as well as averting trade wars.

Heseltine agreed with Li, saying that Britain is in favor of free trade and will support China to become a member of the WTO at an early date.

Referring to bilateral ties, Li noted that Sino-British relations have been improved through the joint efforts of both sides over the past year. A good momentum which has been rarely seen in recent years has emerged, he said, hoping that the two sides would continue to maintain this momentum.

During the talks, Li briefed Heseltine on China's Ninth Five-Year Plan (1996-2000) and its long-term objectives to the year 2010.

China's population will reach 1.3 billion by the end of the century, giving the issue of grain top priority, Li continued, saying that China takes agriculture as its first priority for development and will continue to strengthen the construction of infrastructure, energy, transportation and communications.

Britain has advantages for helping China in the key fields of economic development, and the cooperation between the two sides has broad prospects, Li told his British counterpart.

He voiced the hope that the British side would take a more positive attitude toward its investment in China and the transfer of technology to the country.

The two deputy prime ministers also exchanged views about the cooperation on some specific items.

Heseltine told Li that he was pleased to visit China again. He expressed his admiration for China's great economic achievements and his pleasure at the obvious increase in high-level exchanges between the two countries.

During his China tour last year, there were 125 British entrepreneurs in his entourage, while this time the number has risen to 270, which shows that the British government attaches great importance to the development of its ties with China, Heseltine noted.

Speaking on the issue of Hong Kong, Li said that the leaders of the two countries have exchanged views on the issue many times over the past year. The two sides have increased their cooperation concerning the Hong Kong issue and have made new progress on some specific issues.

He expressed the hope that the two sides would further boost their cooperation to realize a smooth transition and transfer of the power in Hong Kong. This conforms to the interests of the two countries, Li added.

Heseltine agreed with Li on this point.

Following the meeting, Li and Heseltine met with some British entrepreneurs, and Li answered their questions.

At noon today Shi Guangsheng, vice-minister of Foreign Trade and Economic Cooperation, held talks with Heseltine, who arrived here last Saturday [18 May] for a visit as guest of his Chinese counterpart.

PRC: UK's Heseltine Meets With Construction Minister

OW2005155896 Beijing XINHUA in English
1547 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Minister of Construction Hou Jie met here today with British Deputy Prime Minister Michael Heseltine, saying that China will continue co-operation with Britain in urban water supply and treatment of waste water.

"Britain has good technology, equipment and management expertise for solving water problems," Hou said, adding that China is willing to maintain co-operation with the European country.

China's water supply mainly exists in cities, where 300 million citizens dwell, said the construction minister, adding that the country's rate of waste water treatment is also low.

Heseltine and his entourage, totalling 30 people, visited the Ministry of Construction this afternoon, and had a 35-minute talks with senior Chinese construction officials.

British representatives from major water supply or treatment companies briefed Chinese officials on their business scope, expressing their hope of getting a share of the Chinese market.

Heseltine began his seven-day visit to China on May 18. His party consists of 270 people, twice the size of the group he led to China last year, signaling that the two countries' exchanges are expanding.

During the 35-minute meeting, British representatives said that they would explore all forms of co-operation with China, such as technology transfer and training of personnel.

Leonard Appleyard, British ambassador to China also attended the meeting.

East Europe

PRC: Bulgarian Premier Arrives in Beijing For Official Tour

OW2005042996 Beijing XINHUA in English
0319 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Jean Videnov, premier of the Republic of Bulgaria, arrived in Beijing this morning by a special plane to start his four-day official visit to China.

Zhou Yuanqing, chairman of the Chinese government reception committee and vice-minister of the State Education Commission, greeted Videnov and his party at the airport.

The Bulgarian premier is here at the invitation of Chinese Premier Li Peng.

PRC: Li Peng Welcomes Bulgarian Premier in Beijing

OW2005091796 Beijing XINHUA in English
0842 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Premier Li Peng held a welcoming ceremony here this afternoon in honor of Zhan Videnov, premier of the Republic of Bulgaria.

The Bulgarian premier, who was invited by Li, arrived in Beijing this morning by a special plane on his four-day official visit to China.

PRC: Li Peng Holds Meeting With Bulgarian Counterpart

OW2005093696 Beijing XINHUA in English
0857 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Premier Li Peng and visiting Premier of the Republic of Bulgaria Zhan Videnov started talks here this afternoon.

During the talks in the Great Hall of the People, the two premiers are expected to discuss on a wide range

of issues including bilateral relations and other regional and international issues of common interests.

Prior to the talks, Li held a welcoming ceremony in honor of his Bulgarian counterpart, who arrived in Beijing this morning by a special plane on his four-day official visit to China.

The talks continue at the press time.

PRC: Li Peng Meets With Bulgarian Counterpart

OW2005160596 Beijing XINHUA in English
1456 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Chinese Premier Li Peng held talks with his Bulgarian counterpart Jean Videnov at the Great Hall of the People here this afternoon.

Their talks mainly focused on bilateral relations, and regional and international situations. The Bulgarian PM arrived here today on a four-day official visit to China at the invitation of his Chinese counterpart.

During the talks, Li said that Videnov was the first Bulgarian government head to visit China in nearly four decades, and hoped this visit would deepen understanding and friendship between the two countries and their people.

He said that good relations between China and Bulgaria not only accord with the fundamental interests of their people, but also benefit peace and stability in the world.

"China respects the Bulgarian people's choice of the road for development," Li said. "It holds that differences in social system, ideology and concept of value should not obstruct countries from establishing friendly ties."

"China opposes any country, by any means, imposing its will on other countries," Li emphasized.

He said that the Chinese government is positive about developing Sino-Bulgarian economic and trade co-operation on the basis of equality and mutual benefit, and said he hoped that entrepreneurs of the two countries would explore new frontiers for expanding co-operation.

Videnov said his visit to China indicates that the two countries cherish the common wish to further develop bilateral relations. Bulgaria attaches great importance to its relations with China, and regards it as one of its prime objectives.

He said that new achievements will be made in developing friendship and relations of co-operation between the two countries in politics, economics, trade, culture and other fields.

"Bulgaria highly values China's economic and social progress in recent years, appreciates its policy of independence and non-interference in other countries' internal affairs, and admires its balancing role and positive influence in international affairs," Videnov noted.

He re-affirmed that his government will stick to the policy of "one China," recognizing Taiwan as an inalienable part of China and refraining from forming official ties with it.

Sofia affirms that Tibet is an autonomous region of China and the Tibet issue is an internal affair of China, he pointed out.

Li said that peace, stability and development are the common wishes of the people around the globe, and China welcomes, and will push forward, the process of multi-polarization in the world.

"But we should never neglect the fact that there still exist hegemonism and power politics, as well as many factors of uncertainties," Li said, adding that unremitting and long-term efforts are called for in order to attain world peace and development.

Videnov invited Li to visit Bulgaria at his convenience, and Li accepted the invitation with pleasure.

After the talks the two prime ministers attended a signing ceremony of agreements on public security, education, science, patents and other fields.

Prior to the talks, Li held a welcoming ceremony in honor of his Bulgarian counterpart.

PRC: Rong Yiren Meets Bulgarian Premier

*OW2105103496 Beijing XINHUA in English
0906 GMT 21 May 96*

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — Chinese Vice-President Rong Yiren today met Bulgarian Premier Zhan Videnov at Beijing's Great Hall of the People. He expressed the hope of developing a long-term, stable and healthy bilateral relationship between the two countries.

Extending a welcome to the premier on his first China trip, Rong said the Chinese government and the people have always treasured the friendly and cooperative relations with Bulgaria, based on the traditional friendship between the two peoples.

In recent years, Rong said, there have been increasing exchanges between the two countries in political, economic ties and trade and cultural fields and the channels for cooperation kept expanding. This has promised a greater potential for advancing the cooperation, Rong said.

He added that China wishes, through joint efforts, to advance the "long-term, stable and healthy" relations between the two countries.

As developing countries, both China and Bulgaria are engaged in economic reforms and the two countries have much in common.

"We hope that the two countries enhance mutual understanding, expand cooperation on the basis of equality and mutual benefit and further promote bilateral relations," Rong said.

Videnov described Bulgarian-Chinese relations as developing smoothly, and the prospects for developing the relations were bright.

He believed his ongoing visit to China would exert a stimulating role to the advancement of the relations. At present political relations between Bulgaria and China are good, and the agreements between the two sides concluded during the current visit have laid a legal basis for developing bilateral relations. For economic ties and trade, Videnov said the two sides should probe new ways and channels.

PRC: Beijing, Budapest Pledge To Boost Military Ties

*OW2105045296 Beijing XINHUA in English
0431 GMT 21 May 96*

[FBIS Transcribed Text] Budapest, May 20 (XINHUA) — China and Hungary today agreed to further strengthen their friendly relations and the cooperation between their armed forces.

Visiting Chinese general Yu Yongbo and Hungarian military commander Nemeth Sandor said that the two armies should not only maintain their high-level contacts but strengthen cooperation in all fields.

The two generals also exchanged views on military issues and the current international situation.

Nemeth, acting defense minister and chief of general staff, briefed Yu on reforms within the Hungarian National Defense Forces. He spoke highly of China's commitment to principles such as equality in its relations with foreign countries.

Yu, a member of the Central Military Commission and director of the General Political Department of the People's Liberation Army, also paid a courtesy call on Fodor Istvan, state secretary for politics of the Defense Ministry, and Eorsi Matyas, chairman of the parliamentary committee on foreign affairs.

Yu arrived here on May 17 on the second leg of his four-nation tour which includes Romania, Spain and Portugal.

PRC: Romania Hopes To Promote Economic Cooperation

*OW1605052096 Beijing XINHUA in English
0448 GMT 16 May 96*

[FBIS Transcribed Text] Bucharest, May 15 (XINHUA) — Romania hopes to promote economic cooperation with China, Romanian President Ion Iliescu told a senior Chinese military official today.

During a meeting with Yu Yongbo, General Political Department Director of the People's Liberation Army,

Iliescu said that China has become one of the most attractive economic centers in the world. Romania is specially interested in China's successful experience in building special economic zones.

Yu Yongbo conveyed the respects of Chinese President Jiang Zemin to Iliescu. He said China also hopes to promote economic and military cooperation between the two nations.

Yu, accompanied by a Chinese military delegation, arrived here on May 14 for an official visit.

Political & Social**PRC: Spokesman Comments on Li Teng-hui's Inaugural Speech***HK2105043396 Hong Kong WEN WEI PO in Chinese 21 May 96 p A2*

[Dispatch by staff reporter Tseng Shu-wan (2582 2579 8001): "State Council's Taiwan Affairs Office Spokesman on Li Teng-hui's 'Inaugural Speech'"]

[PTS Translated Text for FBIS] Beijing, 20 May (WEN WEI PO)—The State Council's Taiwan Affairs Office urged the Taiwan authorities to first stop their splittist activities, genuinely return to the stance of "one China" in action, and take practical moves to promote cross-strait ties and the process of peaceful reunification.

Taiwan's Li Teng-hui delivered his "inaugural speech" today. In an interview with a WEN WEI PO reporter here, a spokesman for the State Council's Taiwan Affairs Office pointed out: As always, we will uphold the basic principles of "peaceful reunification and one country, two systems," continue to implement President Jiang Zemin's eight-point proposal, and promote cross-strait ties and the process of peaceful reunification. The Taiwan authorities should first stop their activities of creating "two Chinas" or "one China, one Taiwan" on the international stage, genuinely return to the position of one China not only in word but also in deed, and take practical action in promoting cross-strait ties and the process of peaceful reunification.

The spokesman stressed that Taiwan is an inalienable part of China and that the sovereignty of China, which includes Taiwan, Penghu, Quemoy, and Matsu, belongs to the 1.2 billion Chinese people, including the Taiwan compatriots. We are resolutely against the advocating of so-called "Taiwan as the main body" and the "new era of sovereignty to the people" in Taiwan, which is aimed at splitting China's sovereignty and territorial integrity, irrespective of the ironclad fact that Taiwan is part of China.

Regarding the struggle against splittism and Taiwan independence waged since the latter half of last year, the official refuted remarks which distort the struggle as a move taken to "oppose democracy." He said that the struggle against splittism and Taiwan independence dealt a heavy blow to the "Taiwan independence" forces, exposed the features of certain Taiwan leaders who are pursuing splittism under the pretense of reunification, and manifested the determination and ability of the Chinese people in safeguarding state sovereignty and territorial integrity. We respect the political demands of the Taiwan people in developing democracy, but it will

be a futile effort to distort the struggle as "opposing democracy."

PRC: Taiwan Office Holds Symposium on Li Teng-hui Speech*HK2105043796 Hong Kong SING TAO JIH PAO in Chinese 21 May 96 p A2*

[Report by Yin Yen (1438 1484): "State Council's Taiwan Affairs Office Responds to Li Teng-hui's Speech"]

[PTS Translated Excerpt for FBIS] A number of Beijing experts on the Taiwan issue held an emergency meeting yesterday to study Li Teng-hui's inaugural speech and make a low-key appraisal in the form of a verbal reply by an official of the State Council's Taiwan Affairs Office. A Beijing source disclosed that CPC General Secretary Jiang Zemin recently gave an instruction, urging the departments concerned to conduct a monographic study of Li Teng-hui's speech. The State Council's Taiwan Affairs Office invited some experts on the Taiwan issue to a symposium held at a hotel on the western outskirts of Beijing yesterday afternoon to study the main viewpoints of Li Teng-hui's speech and determine the method of response and the policies toward Taiwan to be adopted at the next stage. [passage omitted covered by referent item]

A Beijing expert on the Taiwan issue, who was not willing to be identified, said that the immediate response of the State Council's Taiwan Affairs Office indicates: First, the mainland must reiterate its stand and explain the Chinese Government's policies to the whole world, the Taiwan people in particular, and show them that the mainland is not afraid of and welcomes genuine democracy and political reform. Second, the mainland has exercised restraint in its response in order to give an opportunity to the Taiwan authorities and Li Teng-hui. Third, the mainland has heard enough of Li Teng-hui's empty talk and nonsense on cross-strait ties, saying one thing today and another tomorrow, and it is unnecessary to comment directly on his speech. The mainland is concerned about the actions taken by the Taiwan authorities and Li Teng-hui so as to take corresponding measures. Fourth, China is a big nation. Viewed from either its international influence or its domestic economic and military strength, the Chinese Government has the determination and ability to settle the question of Taiwan and accomplish the great cause of reunification of the motherland. It is just a matter of time.

PRC: XINHUA Hong Kong Official on Li Teng-hui's Speech

HK2105064396 Hong Kong TA KUNG PAO in Chinese 21 May 96 p a2

[Report: "Zhu Yucheng, Deputy Director of XINHUA News Agency Hong Kong Branch, Comments on Li Teng-hui's Speech"]

[PTS Translated Text for FBIS] In the so-called inauguration speech Taiwan's Li Teng-hui delivered upon taking office as the ninth "president," he expressed the wish to visit the China mainland. On that point, Zhu Yucheng, deputy director of XINHUA News Agency Hong Kong branch, stressed that Li Teng-hui must return to the one-China principle, and must not pursue "two Chinas," or "one China, one Taiwan" overseas. That is a prerequisite, given which the two sides may talk about any topic.

While attending the founding ceremony of the Hong Kong Association for Chinese Science and Society yesterday (20 May), Zhu Yucheng responded to Li Teng-hui's inauguration speech, in which the latter stated that he was "willing to visit the China mainland, meet the state supreme leadership, and exchange views directly." Zhu Yucheng said: On the issue of peaceful reunification, the Chinese side has all along worked in accordance with the eight-point proposal by Chinese State President Jiang Zemin, and the principles of "peaceful reunification," and "one China" will not be changed. Such being the case, with regard to Li Teng-hui's inauguration speech delivered the other day, as far as China is concerned, it is absolutely necessary to return to the "one-China" principle rather than engage in so-called "two Chinas," or "one China, one Taiwan" overseas. That is a prerequisite, given which the two sides may talk about any topic.

Zhu Yucheng indicated that regarding Li Teng-hui's statement, of course, people will watch how he matches his words with deeds. To the Chinese side, Taiwan is an inseparable part of Chinese territory, a fact that can never be changed; sovereignty and territorial integrity are the common aspirations of the 1.2 billion people of the whole of China.

PRC: Li Peng Inspects Yunnan 10-17 May

OW1905112296 Beijing XINHUA Domestic Service in Chinese 1320 GMT 17 May

[By reporters He Maoji (0149 2021 4921) and Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Kunming, 17 May (XINHUA) — During an inspection tour in Yunnan recently, Li Peng, premier of the State Council, stressed: China is a

unitary multinational state; economic development and social progress in areas inhabited by the minority nationalities are of vital importance to the state's rejuvenation. He hoped that Yunnan Province, a province inhabited by many minority nationalities, will step up national economic development and further promote national unity.

Accompanied by Yunnan Provincial Party Secretary Gao Yan and Governor He Zhiqiang, Premier Li Peng inspected Xishuangbanna Dai Autonomous Prefecture, Lijiang Prefecture, Dehong Dai-Jingpo Autonomous Prefecture, Dali Bai Autonomous Prefecture, and Kunming City from 10 to 17 May. He showed great concern over the national unity, production and life of minority nationalities, and particularly the weal and woe of minority nationalities in poor areas. He went deep into villages inhabited by minority nationalities and visited the poor. In the woods and plains in southwestern Yunnan as well as on the highlands and by Er Hai in northwestern Yunnan, Premier Li Peng ascended bamboo houses of Dai families, entered houses of Hani peasants, visited Jingpo families, and viewed dwellings of Bai nationality, inquiring about the well-being of the people he visited. Sitting side by side with people of various nationalities, he exchanged and discussed with them the views on shaking off poverty. He spoke in praise of the diligence and simplicity of minority nationalities and acclaimed again and again the splendid ethnic culture. He encouraged people still living in poverty to work hard for shaking off poverty and building up a fortune, and wished those who are already rich to attain a yet higher goal. People of various nationalities expressed their gratitude to the party, government, and Premier Li Peng for their concern in their own specific ways. In Jinghong City, the capital of Xishuangbanna Prefecture, where late Premier Zhou Enlai visited for the Water-Splashing Festival 40 years ago, Premier Li Peng planted a fresh green banyan tree, and sang, danced, and splashed water with Dai compatriots to celebrate the holiday.

Li Peng asked cadres at various levels to continue to conscientiously implement the party's policy toward nationalities. He said: Economic development is the foundation for consolidating national unity and national unity is the condition for economic development and social stability. It is necessary to integrate basic education with vocational education, vigorously raise the quality of the nation as a whole, strengthen training of ethnic cadres through various means, and nurture a group of ethnic cadres with strong political sense and knowledge about economy. He noted that the emphasis of antipoverty work must be laid on areas inhabited by minority nationalities.

Li Peng said: Like the whole country, Yunnan Province is conscientiously implementing the party's basic line

under the guidance of Comrade Deng Xiaoping theory of socialism with Chinese characteristics and the leadership of the party Central Committee with Comrade Jiang Zemin as the core and has accomplished remarkable achievements in various aspects of work. The Eighth Five-Year Plan period is one of the periods in which Yunnan has the speediest and best development in history. Now Yunnan is enjoying national unity, economic development, social stability, and good situation. He said: With abundant resources, Yunnan has great potential for development. Presently, it should lay emphasis on proper construction of infrastructure, such as the communications network, make full use of its advantage in resources, develop mainstay industries suitable to Yunnan's peculiarities, and vigorously develop tourism — its exceptional advantage. He said: Infrastructural projects should also be constructed in order of priority and according to the capability of the province. It is necessary to further emancipate the minds, seek truth from facts, and lay the emphasis of work on the two fundamental shifts [one is the shift of the economic system from the traditional planned economy to a socialist market economy, and the other is the shift of economic growth mode from being extensive to intensive].

Li Peng urged Yunnan's cadres at various levels to attach importance to agriculture. He said: Yunnan has the potential for further agricultural development. With a large area of low and medium-yield farmland still awaiting improvement, Yunnan must strive for self-sufficiency of grain during the Ninth Five-Year Plan period. In the meantime, cash crops such as rubber, sugarcane, and flower should be developed vigorously to increase peasants' income. He stressed: Yunnan has green mountains, blue waters, beautiful scenery, and a fine environment. In the course of developing economy, Yunnan must enhance the concept of environmental protection, attach great importance to the work of environmental protection, realize the strategic significance of sustainable development, consider the interests of the coming generations, and properly protect and construct this treasure land.

Li Peng said: Yunnan has a favorable condition for developing border trade. We should bring prosperous economy to areas inhabited by minority nationalities and promote good-neighborly and friendly relations as well as joint development with neighboring countries through the development of border trade.

Li Peng stressed: It is necessary to attach high importance to the construction of spiritual civilization and properly proceed with the "crime crackdown" struggle. He said: The struggle over the past one month or so has proven that the "crime crackdown" is a very pop-

ular campaign and enjoys the backing and support of the people. Leaders at various levels must personally take charge of the ongoing "crime crackdown" struggle to create an environment in which people can live and work in peace and contentment. He noted: The party and government have been very concerned about the antidrug work; resolutely cracking down on drug-related crimes and protecting people's physical and mental health have been our stand. Shouldering a heavy responsibility in the antidrug struggle, Yunnan must be prepared for a protracted war and unremitting crackdown.

Premier Li Peng was very concerned about the loss of people's lives and properties caused by earthquakes in Lijiang Prefecture in early February this year. On 13 May, he made a special trip to Lijiang Prefecture and extended condolences to the disaster-stricken people on behalf of the party Central Committee, State Council, and General Secretary Jiang Zemin. He expressed satisfaction with the achievements in the relief work in the wake of the earthquakes to date and fully confirmed the efforts of the people in the disaster-stricken areas in rebuilding their homeland through self-reliance and in providing for and helping themselves by engaging in production. He noted: As a place frequently hit by earthquakes and other natural disasters, Yunnan must have a long-term plan for fighting all kinds of calamities.

During his stay in Yunnan, Li Peng heard briefings on the work of the Yunnan provincial party committee and government and spoke on relevant issues.

Responsible persons of relevant State Council departments in the company of Li Peng in his inspection tour included: He Chunlin, Doje Cering, Huang Zhendong, Wang Mengkui, Guo Shuyan, Ye Rutang, Chen Yuan, Jiang Yunbao, and others.

PRC: Deng Xiaoping, Yang Baibing, Yang Shangkun Mourn Lu's Death

OW2005133196 Beijing XINHUA Domestic Service in Chinese 1001 GMT 20 May 96

[FBIS Translated Text] Beijing, 20 May (XINHUA) — The remains of Comrade Lu Dingyi were cremated in Beijing today. He was a great fighter for communism, an outstanding proletarian revolutionary, member of the Seventh, Eighth, and 11th CPC Central Committees [CPCCC], alternate member of the Eighth CPCCC Political Bureau, member of the Secretariat of the Eighth CPCCC, former vice premier of the State Council, vice chairman of the Fifth and Sixth National Committees of the Chinese People's Political Consultative Conference, and former standing committee member of the CPC Central Advisory Commission.

Before the cremation, Li Peng, Qiao Shi, Li Ruihuan, Hu Jintao, Ding Guangen, Li Tieying, Zou Jiahua, Wei Jianxing, Song Ping, Chen Muhua, Li Ximing, Luo Gan, Qian Zhengying, Wang Ping, Xiao Ke, Zhang Jingfu, Chen Xilian, Duan Junyi, Huang Hua, Ye Fei, Liao Hansheng, Gu Mu, Yang Chengwu, Zheng Tianxiang, Liu Fuzhi, Deng Liqun, and Wang Heshou went to the Babaoshan to bid farewell to the remains of Comrade Lu Dingyi.

When Comrade Lu Dingyi was critically ill and hospitalized and after his passing away, Jiang Zemin, Deng Xiaoping, Peng Zhen, Zhu Rongji, Liu Huaqing, Rong Yiren, Tian Ji Yun, Li Lanqing, Yang Baibing, Wu Bangguo, Jiang Chunyun, Qian Qichen, Huang Ju, Xie Fei, Wen Jiabao, Wang Hanbin, Yang Shangkun, Wan Li, Bo Yibo, Song Renqiong, Zhang Zhen, Zhang Wannian, Chi Haotian, Ren Jianxin, Fei Xiaotong, Lei Jieqiong, Wang Bingqian, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Song Jian, Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Zhao Puchu, Qian Weichang, Ma Man-kei [Ma Wanqi], Wan Guoquan, Liu Lantao, Jiang Hua, Li Desheng, Yu Quli, Zhang Aiping, Geng Biao, Huang Houqing, Xi Zhongxun, Peng Chong, Wang Fang, Ma Wenrui, Lu Zhengcao, Yang Yichen, and Han Guang either called on him at the hospital or expressed their sympathy or condolences through other means.

PRC: Chairman of CPPCC National Committee Inspects Hubei

SK2105043296 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 19 May 96

[FBIS Translated Text] Li Ruihuan, standing committee member of the political bureau of the CPC Central Committee and chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], inspected Hubei Province from 14 to 19 May.

During his inspection in our province, Li Ruihuan emphatically pointed out: In the course of developing the economy and changing the economic system, we should constantly persist in the viewpoint that practice is high above everything; be good at grasping the peculiarity of things; and pay attention to studying the new situation, summing up new experiences, and exploring new methods.

Accompanied by some provincial leaders, including Jia Zhijie, secretary of the provincial party committee, Li Ruihuan went to Yichang and Wuhan to successively inspect the (Zigui) Town which was newly built for the people who relocated themselves for the construction of the Three-Gorge Project, the Wuhan economic and technological development zone, the (Shenwei) vehicle

corporation, the (Huaxin) wire and cable production company, and the Coca Cola company; heard the work reports of the provincial party committee and the provincial government; held talks with the responsible persons of some state-owned enterprises; and also made an important speech.

At the construction site of the Three-Gorge Project, Li Ruihuan listened to the report on the construction of the project, extended cordial regards to those who are diligently working for this project, and expressed cordial thanks to the people living near the reservoirs for submitting themselves to the major situation of the nation and for their great contributions to supporting the construction of the project. Together with the local responsible comrades, he studied ways for well relocating the people and [words indistinct.]

He urged that the departments concerned and local leaders should make concerted efforts to continuously do a good job in relocating the people and to realistically resolve their living and production difficulties and should exert efforts to finally make success in the construction of the project and relocation of the people.

In his speech, Li Ruihuan highly praised the people of Hubei for their gigantic achievements in economic construction and social development and fully affirmed the work of the provincial party committee and the provincial government.

He said: The new market economic development situation and the new pattern of opening China to the outside world have provided a good chance of expanding the scale of opening up and of accelerating the pace of development for Hubei, bordering the east and the west and adjoining the south and the north. Hubei has reserve strength for development. Hubei is also attractive to foreign traders. I hope that the broad masses of cadres and the people will be able to grasp the favorable opportunity to bring advantages into full play, to continuously unite as one, to wage an arduous struggle, and to win new, greater achievements in the work in all spheres.

In regard to the economic work, Li Ruihuan said: The current economic situation is generally good. We have made new headway in changing the economic growth model and the economic system. Simultaneously, some problems still exist. To this end, we must not adopt a negative attitude, dodge difficulties, or simply treat our problems. The socialist market economic system is a completely new system. It differs from the previous planned economic system and the capitalist market economy in many aspects. Each and every stage and each and every aspect associated with the development of the socialist market economic system has its own attribute. At first glance, some of the problems seem to

be old problems. In reality, changes have taken place in the nature of the problems due to the change in the major background and the change in time, places, and conditions. We should acknowledge the attribute of things, exert great efforts to study the attribute, and work out different methods to resolve the contradictions with different natures.

Li Ruihuan said: Fundamentally speaking, some of the problems which we are faced with at present are problems related to practice. We should creatively ponder these problems, make explorations, and sum up experiences in the course of practice.

He urged that cadres at various levels should persistently emancipate the mind; bravely engage in practice; go to the forefront of the economic work, the grass roots, and the masses; deepen the understanding about the objective law governing the economic and social development; find methods for overcoming the difficulties; and push forward the work in all spheres.

While talking about the issue of helping some state-owned enterprises tide over difficulties, Li Ruihuan especially stressed: Leaders at various levels should pay attention to the livelihood of the staff and workers of the enterprises under strained circumstances.

He said: China is a socialist country under the leadership of the communist party. Wholeheartedly serving the people is the fundamental purpose of our party. Our forefathers said: The doctrine of being in power is reassuring the people. The key to reassuring the people hinges on investigating the people's weal and woe. In the course of developing the socialist market economy, we should always show concern for the weal and woe of the people and study and work out measures for resolving the staff members and workers' living and working difficulties so as to safeguard the stability of society.

Accompanying Li Ruihuan to conduct inspections and attend the forum were some provincial leaders, including Qian Yunlu, Yang Yongliang, Li Daqiang, Liu Rongli, Deng Guozheng, Xu Shiqiao, Guan Guangfu, Zheng Yunfei, Han Nanpeng, Zhang Hongxiang, and Zhong Shuqiao; Mayor of Wuhan city Zhao Baojiang; and responsible comrades of the provincial departments concerned.

PRC: Beijing Stresses 'Stability' During Sensitive Period

HK2005090796 Hong Kong SING TAO JIH PAO in Chinese 18 May 96 p A2

[Report by staff correspondent Kwang Tong-chou (6782 0681 5297): "Central Authorities 'Brief' Media to Phase

Out 4 June and Place 'Stability' Above Everything Else"]

[PTS Translated Text for FBIS] According to a source, Beijing's top levels have basically taken an affirmative attitude toward China's domestic and diplomatic situation over the past half year. The top hierarchy has stressed that all work should continue to focus on stability and take precautions against the occurrence of any incident, particularly during the politically sensitive period of May and June. As in previous years, Beijing's major units, and the official media in particular, have been "briefed" on a number of occasions recently.

Although no progress has been made in the reform of state enterprises, the source pointed out, the economic targets set earlier in the year and the targets for the first four months have been fulfilled appropriately. The authorities believe that the economic situation will improve in the latter half of the year following the gradual relaxation of credit. Thanks to the experience accumulated over the past three years in checking inflation, the authorities are confident of keeping this year's inflation within the desired target.

Reportedly, although the sensitive 4 June period is approaching, Beijing's political situation is very stable under tight security and there is no sign of any problem. The official media are busy publicizing the achievements of leaders' visits abroad, with specially prepared reports on the selected public heroes and labor models. The ordinary people do not even know that another anniversary of 4 June is approaching, still less that 16 May was an inauguration 30 years ago.

Diplomatically, the source continued, Jiang Zemin is now in Africa with Qian Qichen, Zhu Rongji is on a tour of Southeast Asia, and Wu Bangguo is visiting the Middle East. It is rare in the history of China's diplomacy for the state president and three vice premiers to visit abroad at the same time. Jiang Zemin and other leaders have visited abroad frequently and have been rather active on the international stage. The top levels in Zhongnanhai believe that these are the major successes in diplomacy made over the years.

The source pointed out that the outside world has noted another trend: Like the government's diplomacy, the Army's diplomacy also has been active recently. Military leaders visiting Europe and Asia recently include Zhang Wannian, vice chairman of the Central Military Commission; Fu Quanyou, chief of general staff; Yu Zhenwu, commander of the Air Force; Yu Yongbo, director of the General Political Department; Liao Xilong, commander of the Chengdu Military Region; and Cao Gangchuan and Xiong Changkai, deputy chiefs of general staff. The main purpose of

military leaders' visits abroad is to purchase military equipment, strengthen mutual exchanges, or rebut the "China threat theory." The military's influence at home and abroad is rising rapidly.

Beijing's top levels reportedly hold that the greatest difficulties in China's diplomacy are still Sino-U.S. relations and the Taiwan issue. Nonetheless, the top hierarchy believes that this is a longstanding problem that cannot be resolved overnight and that will not affect the development of other diplomacy. Hence, Beijing is ready to fight a protracted battle. The top levels hope that the current political, economic, and diplomatic situation will continue.

PRC: Jiang Zemin Signs Presidential Decree No. 68
OW1905101196 Beijing XINHUA Domestic Service
in Chinese 1319 GMT 15 May 96

[By reporters Liu Siyang (0491 1835 2254) and Wang Jinfu (3076 6855 4395)]

[FBIS Translated Text] The "Law on the Transformation of Scientific and Technological Results of the People's Republic of China" was adopted at the 19th Session of the Eight National People's Congress Standing Committee today. President Jiang Zemin signed presidential decree No. 68 today to promulgate this law.

The promulgation of the law is aimed at promoting the turning of scientific and technological results into practical productive force, accelerating the scientific and technological progress, and promoting the economic construction and social development.

The law contains six chapters on general provisions, enforcement arrangements, protection measures, technological rights and benefits, legal responsibilities, and supplementary provisions, in 37 articles.

The law will take effect on 1 October 1996.

PRC: Raidi on Combating Crimes at Lhasa Rally
OW2005150496 Lhasa XIZANG RIBAO in Chinese
11 May 96 pp 1, 3

["Speech (Excerpt) by Raidi, Executive Deputy Secretary of the Tibet Autonomous Regional CPC Committee, at Rally to Mobilize the Struggle to 'Severely Crack Down on Crimes' in Lhasa City on 9 May 1996: 'Seriously Implement the Arrangement of the Party Central Committee, Earnestly Carry Out the Struggle to Severely Crack Down on Crimes' in Our Region"]

[FBIS Translated Text] The current nation-wide struggle to "severely crack down on crimes" is a strategic arrangement of the party Central Committee to strengthen the management of social order and to ensure the masses

of people live and work in peace and contentment, and is an important guarantee for smoothly carrying out reform, opening up to the outside world, and economic construction, and to realizing the Ninth Five-Year Plan and the Long-Term Target for the Year 2010. The rally today is both a rally to mobilize the struggle to "severely crack down on crimes" in Lhasa City and a rally to mobilize the struggle to "severely crack down on crimes" in the whole region. In order to seriously implement the strategic arrangement of the party Central Committee and to earnestly carry out the struggle to "severely crack down on crimes" in our region, I would like to put forward my views in accordance with the guidelines discussed by the party committee and the government: I. Seek Unity of Thinking and Thoroughly Understand the Great Significance of

This Struggle to "Severely Crack Down on Crimes"

In recent years, party and government organizations at all levels of our region have attached great importance to the work of safeguarding social stability, and the party, government, military, police, and people have coordinated closely, worked with concerted efforts, and made contributions to cracking down on various kinds of crimes, safeguarding the motherland's unity, and maintaining social stability. On the whole, separatists and various kinds of criminal elements have received a serious blow, the situation of the whole region has gradually become more stable, and the situation is good. However, instability factors still exist. The Dalai clique, following the failure of a series of plots to separate the motherland, is at an impasse, has frantically pounced on us again, and has constantly carried out violent and terrorist sabotage activities. Since the beginning of last year it has created many incidents of explosions, and other incidents [duo qi bao zha deng an jian 1122 6386 3615 3498 4583 2714 0115] one after another. Various rampant criminal activities have threatened the safety of the lives and property of the people. Besides, drug addiction, production and sale of pornography, prostitution and visiting prostitutes, gambling, and other vicious social phenomena continue to spread despite repeated prohibition. We must be soberly aware that the situation of safeguarding social stability and ensuring social order in our region brooks no blind optimism.

In making arrangements for this struggle to "severely crack down on crimes," the party Central Committee stressed that this struggle is a strategic arrangement for maintaining social stability, and is an important guarantee for reform and development. The fundamental purpose of carrying out the struggle to "severely crack down on crimes" in our region is to safeguard social stability, and to ensure the economy in our region can de-

velop faster, the frontier defense can become stronger, and the people can live and work in peace and contentment. Viewed from the situation of social stability and social order in our region, to carry out a powerful and impressive struggle to "severely crack down on crimes" at present is also a pressing task. Party committees and governments at various levels should first of all seriously study a series of important instructions of the central authorities concerning this struggle to "severely crack down on crimes," profoundly understand the spirit of the central authorities, correctly grasp the reality of our region, thoroughly understand the necessity of carrying out the struggle to "severely crack down on crimes" in our region, enhance the sense of responsibility and urgency, and really seek unity of thinking on the basis of the strategic policy-decision of the party Central Committee, and on the basis of the arrangement of the regional party committee. Tibet is located on the front-line of the anti-separation struggle, and safeguarding social stability and the motherland's unity is the most important political responsibility. Paying great attention to this struggle to "severely crack down on crimes" is both an expression of whether or not we have a sense of the masses of people, and an expression of whether or not we attach importance to politics. In this struggle to "severely crack down on crimes," every party member, and leaders at various levels in particular, are faced with an important test. We must regard the attitude and behavior of cadres at various levels in this struggle to "severely crack down on crimes" as an important basis for appraising whether or not their political orientation, political stand, and political viewpoints are correct, whether or not their political ability to differentiate and political sensitivity are good, and whether or not they strictly observe political discipline. Various localities and various departments must really attach great importance, in thought and in action, to the work of safeguarding social stability and social order, and earnestly carry out the struggle to "severely crack down on crimes." If the leadership of a locality does not ideologically attach importance to the struggle, does not make sufficient effort to make arrangements, or does not take specific measures, thus leading to rampant sabotaging activities of separatist elements, and to failure in making marked improvement in social order, the party committee and government of that locality shall be investigated and responsibility affixed.

II. Carefully Organize This Struggle to "Severely Crack Down on Crimes," Make It Powerful and Impressive

Procuratorial, judicial, and public security departments are the main strength in this struggle to "severely crack down on crimes" and are duty-bound. These depart-

ments at various levels must have a strong sense of responsibility and mission, strengthen various measures, give play to their functions as a whole, earnestly and properly organize activities to crack down on crimes, carry forward the indomitable style of fearing no fatigue and successively making sudden and violent attacks, really make the struggle powerful and impressive, and resolutely crush the unbridled arrogance of the separatist elements and criminal elements.

1. Make well-organized arrangements, and act in unison. This struggle to "crack down on crimes" is different from ordinary special struggles of the past. We must make well-organized arrangements, do careful organization work, act speedily in unison, and carry out the struggle with leadership, in a planned way, step by step, and vigorously. The Regional Political and Law Commission, must, on the existing basis, make further well-organized arrangements. Various prefectures, cities, and counties must immediately take action and launch several region-wide fruitful and concentrated attacks. The phenomenon of taking no action in cracking down on crimes is not permitted.

2. In connection with the anti-separation struggle, expose key crimes, mobilize in a big way the masses of people to report and expose crimes, and severely crack down on violent sabotage activities. Various separatist activities created by the Dalai clique and separatist elements within the country's boundary are the main root cause affecting social stability in our region, and the struggle to "severely crack down on crimes" is entirely in keeping with the anti-separation struggle. In the course of the struggle to "severely crack down on crimes," we must focus our efforts on hitting hard at violent and terrorist sabotage activities created by separatist elements, and severely crack down on criminal elements involved in smuggling, stealing, and illegally possessing arms and ammunition; and we must hotly pursue and fiercely attack such elements, and should never be faint of heart and hesitant in action. Besides, we must carry out a comprehensive check-up on military guns, weapons, ammunition, and explosives among the people, which should first be registered and then handled according to specific circumstances.

3. Uphold the principle of "severely and speedily" meting out punishment for serious criminal elements according to law. We must mete out severe punishment for separatist elements who take risks in desperation, and for criminal elements who committed serious crimes. We must concentrate greater efforts on speedily investigating and cracking a number of important major cases, arresting a number of criminals at large, smashing a number of criminal gangs, and punishing a number of important criminals.

III. Strengthen Leadership, Ensure Actual Results in This Struggle to "Severely Crack Down on Crimes"

This struggle to "crack down on crimes" is an important and urgent task. Besides, it is also systematic engineering. In order to obtain actual results in this struggle to "severely crack down on crimes," what is more important is that party committees and governments at various levels must attach great importance to it, strengthen leadership, and give all-out support, in addition to concentrated attacks launched by the procuratorial, judicial, and public security departments. Besides, it is also necessary for various departments and units to energetically cooperate and fight in coordination.

1. Party committees and governments at various levels must strengthen leadership, give timely supervision, inspection, and guidance to speed up the work, and implement the system of principal leading cadres undertaking responsibility. Party committees and governments at various levels must regard this struggle to "severely crack down on crimes" as an important political task, seriously study it and make arrangements, strengthen supervision and inspection, and give assistance in solving problems. Principal party and government leading cadres of prefectures, cities, and counties must go deep into the frontline, personally take up matters, personally direct the struggle, implement the system of principal leading cadres undertaking responsibility, and strive to bring about a marked improvement in the social and political situation, and social order in respective localities.

2. Thoroughly mobilize and depend on the people of various nationalities. In order to triumphantly fulfill the tasks of the struggle to "severely crack down on crimes," we must fully mobilize and depend on the masses of people to fight a people's war in addition to strengthening party leadership, depending on specialized departments, and giving play to their functions. We must call on, and mobilize, the people to report and expose evildoers, bad deeds, and criminal elements, and to provide clues for cracking cases so that criminal elements have no place to hide themselves. We must make great efforts to publicize and earnestly protect the people's righteous deeds and enthusiasm of safeguarding social stability and social order, and must hit hard at criminal elements who retaliate against people reporting and exposing crimes. **3. Energetically cooperate and fight in coordination.** Propaganda departments must give full play to the role of giving guidance to public opinion in newspapers, magazines, radio, and television, make great efforts to properly publicize the struggle to "severely crack down on crimes," launch a powerful offensive in public opinion, inspire the enthusiasm of the

people, and strengthen the confidence and courage of the people to fight against separatist elements and criminal elements. Financial departments must provide necessary funds and material for the struggle to "severely crack down on crimes." Discipline inspection and supervision departments must coordinate with procuratorial, judicial, and public security departments in carrying out the struggle to "severely crack down on crimes." Leading cadres who are found to have neglected their duty should be investigated and responsibility affixed. We must strictly, speedily, and severely punish party-member cadres found to have violated law and discipline in the struggle to "severely crack down on crimes" and make use of the opportunity to build the party style and honest administration. All departments and units must go all out to energetically take part in the struggle.

4. Strengthen the comprehensive improvement of the social order. At present, we must make use the opportunity of carrying the struggle to "severely crack down on crimes" to vigorously implement various measures to comprehensively improve social order, vigorously construct the grass-roots foundation, and prevent any area or unit from becoming an untouched spot in management. In connection with this struggle to "severely crack down on crimes," we must continue to eliminate various vicious social phenomena. In the struggle to "severely crack down on crimes," the procuratorial departments, the judicial departments, and the public security departments, particularly the public security and police departments, are shouldering a glorious and important mission. They must not fail to live up to the great expectations and trust of the party and the people. They must bestir themselves, energetically take action, display the spirit of fearing neither hardship nor death and of fighting successive battles, establish confidence, enhance the fighting will, and render new meritorious services to the development and stability of our region with an attitude of holding themselves highly responsible to the party and the people.

Comrades, this struggle to "severely crack down on crimes" is a nationwide gigantic and vigorous campaign arranged in a unified manner by the central authorities and is also an urgent and important political task to safeguard the social stability of our region, to ensure a more rapid economic development of our region, and to ensure that the people work and live in peace and contentment in our region. Let us, under the correct leadership of the party Central Committee with Comrade Jiang Zemin as its core and in accordance with the arrangement of the regional party committee and government, really make this struggle to "severely crack down on crimes" impressive and powerful, produce

actual results, and lay a solid foundation for long-term stability in Tibet.

PRC: Comments on Employment Issue; Labor Minister Quoted

OW2005013096 Beijing XINHUA Domestic Service in Chinese 0802 GMT 9 May 96

["Weekend Economic Commentary" by XINHUA reporter Chen Yun (7115 5366): "Employment Issue Is an Important Social Concern"]

[FBIS Translated Text] Beijing, 9 May (XINHUA) — Employment is an important matter. Our party and government attach great importance to tackling the employment issue and take it as an important matter concerning the long-term peace and stability of our society and the steady development of our country. It is precisely due to this kind of understanding that employment has been listed as a target for macroscopic regulation and control in the Ninth Five-Year Plan.

Our country is a big and populous state and the employment issue has been very serious. During the Eighth Five-Year Plan period, our country's urban unemployment rate was kept under 3 percent and the trans-regional flow of rural labor force also started proceeding in an orderly way. However, relevant departments have still used such expressions as "grim" and "pessimistic" to describe the employment situation during the Ninth Five-Year Plan period. This is not alarmist talk. According to the information provided by the Ministry of Labor, during the Ninth Five-Year Plan period, job arrangements are expected to be made for 54 million people in our country, but job opportunities available during the same period will not be able to meet the demand. Meanwhile, since a large number of new manpower is expected to be added to the existing redundant labor force in the countryside, the problem of rural under-employment will become more outstanding. This estimation has been reflected this year, as the number of the unemployed and the number of registered urban unemployed people throughout the country grew at 10.4 percent and hit 5.3 million respectively in the first quarter.

What merits attention is that as far as our country's employment pressure is concerned, two aspects of changes have been effected. First, during the Ninth Five-Year Plan period, there will be slightly less newly-added manpower in our country than that during the Eighth Five-Year Plan period, and the pressure of employment will be mainly on the stock, that is, our country's existing 600 million-odd labor force, rather than on the increment. In particular, with the deepening of enterprise reform, more and more new instances

of severing workers from enterprises are yet to come. Among the unemployed registered in the first quarter this year, 30 percent were sacked personnel. Second, with the gradual decrease in rural farmland in recent years, which is limited in the first place, and the constant progress in the modernization of agriculture, there is a rapid growth of surplus labor in the countryside and the chance to absorb them on the land is getting slimmer and slimmer.

Our country's employment structure is also undergoing great changes. The most striking one is the continuous decline in state-owned units' capability of absorbing new manpower, even though they have always been considered the major channels for employment. In the next few years, state-owned and collective enterprises will not only offer few new job opportunities, but will also release unemployed personnel to society.

In view of the situation, some experts have suggested that employment will be an important matter of our country's macroeconomy in the next decade and that all levels of governments should place on their agenda the discussion on how to tackle this problem. Creating more and more job opportunities for workers and helping the broad masses live and work in peace and contentment should be the basic responsibilities of all levels of governments.

Labor Minister Li Boyong said: The basic way to tackle the employment issue lies in developing the economy and having a greater demand for labor. Generally speaking, whether it is in urban areas or in the countryside, the way out for having a greater demand for labor lies in running industries and developing tertiary industry. To be specific, we must select new points for the growth of employment. The actual situation is very clear, and the new points for employment growth in urban areas are, first, units other than state-owned ones, including collective, privately-run, and individual enterprises, and, second, numerous medium-sized and small enterprises; whereas in rural areas, we must rely on the vigorous development of township and town enterprises and the acceleration of small town construction.

New contradictions on our country's employment issue are attributed to the transition of a planned economy to a market economy, which has also brought to light a very pressing and essential question, that is, how to change the idea of employment as soon as possible. The "urban phenomenon" in seeking employment, which has arisen in many areas in these two years, well deserves our profound consideration. In Beijing, for example, up to a million workers coming from other parts of the country are building houses, running restaurants, repairing shoes, selling vegetables, doing sanitary work,

and acting as baby-sitters, whereas nearly 20,000- strong unemployed people and 200,000-odd redundant personnel from state-owned and collective enterprises are in a predicament of getting no employment or finding it difficult to seek employment. The reason for this is that many urbanites still consider state- owned units the only target of employment and place their hopes on "permanent jobs" and the "iron rice bowl", whereas workers discharged from enterprises are waiting for jobs passively. Such a traditional employment and job-seeking idea is to the disadvantage of the state, enterprises, and individuals because, with the deepening of reform and the development of a market economy, everyone, sooner or later, must accept the market viewpoint on the employment issue. While choosing jobs, people are also being chosen; and whoever has a sense of market and competition is the one who gains the initiative.

Of course, social environment also matters in getting the idea of employment changed. If the social security system, which concerns birth, senility, illness, and death, is unsound and the social security treatment offered by collective, individual, and privately- run enterprises are inferior to that received from state-owned enterprises, workers will not feel at ease and find it very difficult to take a step towards the market. Hence, the establishment of a sound social security system is also the key to tackling the employment issue.

PRC: State Councillor Peng Peiyun Calls for Help for Disabled

OW1805143796 Beijing XINHUA in English
1423 GMT 18 May 96

[FBIS Transcribed Text] Beijing, May 18 (XINHUA) — People with disabilities have special difficulties in life and all of society should lend a hand in helping them, State Councillor Peng Peiyun said here today.

Pei [as received], also chairperson of the Co-ordination Working Committee for the Handicapped of the State Council, made the remark on a live TV broadcast on the eve of the sixth National Help-the- Disabled Day, tomorrow.

She noted that all society should help the disabled with rehabilitation and with improving their chances of joining society.

Pei called for improvements in preventing the occurrence of disabilities and for more social awareness of the daily life of the disabled.

There are a total of 60 million disabled persons in China, or one in every five families for a population of 1.2 billion, and there are one million more disabled persons each year.

According to a new five-year plan for the disabled, China hopes to rehabilitate three million disabled persons, and to help 80 percent of the handicapped children of school age have access to regular schooling and 80 percent of the disabled adults to find jobs.

Science & Technology

PRC: Hong Kong, Guangdong Link Information Networks

OW1705133896 Beijing XINHUA in English
1227 GMT 17 May 96

[FBIS Transcribed Text] Hong Kong, May 17 (XINHUA) — Two multimedia information networks in Guangdong Province and Hong Kong have been officially linked up today to promote information exchange between the two places.

A spokeswoman said the linkage between the information network established by China Internet Corporation (HK) Ltd. (CICNet) and the GNet multimedia visual information network launched by Guangdong Provincial Post and Telecommunications Bureau provides subscribers of both sides with more information resources and services in a fast, accurate, practical and convenient way.

Joyce Wong, vice-president of CIC's business development department, said that CIC is a Hong Kong-based sub-institute of XINHUA NEWS AGENCY, whose main business is to provide subscribers with diversified pure commercial information services through the Internet, so as to promote economic, trade and commercial development in China's inland and Hong Kong as well as in other countries and regions.

"This cooperation with GNet is one of our significant development projects," she said. "It enables subscribers of GNet to receive diversified information on the CIC-Net and subscribers of CICNet to receive GNet's alternate information service, making it a mutual beneficial opportunity for business development."

GNet, launched at the end of last year in Guangzhou, has so far covered Foshan, Shantou and some other places, and it is expected to extend to 23 local telephone networks throughout the province.

PRC: Zou Jiahua at Signing of Telephone Network Agreement

OW1705142996 Beijing XINHUA in English
1350 GMT 17 May 96

[FBIS Transcribed Text] Beijing, May 17 (XINHUA) — China's United Telecommunications Corp. (UNICOM) signed an agreement here today with Japan's Sumitomo

and with the Global One Company for a joint call network project in north China's Tianjin City.

This is the first time for UNICOM to get involved in a local call service project.

According to the agreement, the three partners will invest 284 million yuan in the 50,000-line project in Tianjin, one of the largest industrial city in north China.

Global One is a joint venture formed by the U.S.'s Sprint, Germany's Deutsche Telecom, and France Telecom.

Chinese Vice-Premier Zou Jiahua was present at today's signing ceremony, and met with William Esrey, chairman of Sprint, and Y. Kimura, executive vice-president of Sumitomo.

PRC: Beijing Science, Technology Week Opens

OW2005120196 Beijing XINHUA in English
0826 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Beijing today launched a large-scale campaign to popularize science and technology among local people during the next seven days.

The 1996 Beijing Science and Technology Week, with "Science, Civilization and Health" as its theme, will consist of more than 500 programs to spread scientific and technological knowledge among the public. There will also be 36 major activities, including a "Science creates happy life for you!" event, and a week-long science video show.

During the week more than 50 laboratories in the city's research institutes and colleges will open to primary and middle schools students. Officials from different government organs and the municipal government will send over 30 medical teams to conduct treatment on farmers in 32 poor townships of suburban Beijing's seven mountainous counties.

Some 500 scientific and technological video programs will be shown across the city, and scientific films will be put on show in major cinemas in the Chinese capital.

A team, formed by more than 100 experts and scholars, will lecture to different work units, with exhibitions of primary school students' science work and the works of local college students, as well as lectures being held simultaneously.

Scientific studies, health consultations and lectures will also be held in Beijing.

PRC: Nation Becomes World's Largest Solar Water Heater Maker

OW1605145396 Beijing XINHUA in English
0851 GMT 16 May 96

[FBIS Transcribed Text] Beijing, May 16 (XINHUA) — China has become the biggest solar water heater manufacturer and market in the world, according to the Ministry of Agriculture.

Statistics show that the country now has 300 manufacturers of solar geysers and sold one million sq m [square meters] of solar geysers last year.

An expert from the ministry said that the potential market for the country's solar geysers is very promising, as there are only 4.3 million sq m of solar geysers in China at present, that is, about one sq m per household.

The expert also added that the rural regions of the country will be the largest potential market, saying that three fourths of solar geysers are sold in large and medium-sized cities.

China has set an ambitious plan to manufacture 12.5 million sq m of solar geysers by the year 2000. According to the plan, the country will input some one billion yuan to support the key companies in the industry.

Other solar heat-utilizing products such as solar greenhouses and solar desiccators are widely used in the country, the ministry said.

The output of the more than 500 companies making solar heat-utilizing products was worth 600 million yuan last year, an increase of 20 percent over the previous year.

PRC: Beijing To Become 'National Window' for Science

OW2105053796 Beijing XINHUA in English
0327 GMT 21 May 96

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — Beijing's Vice-Mayor Hu Zhaoguang has pledged to build China's capital into a "national window for spreading scientific knowledge."

Addressing a meeting in Beijing, Hu said that over the next five years Beijing will draw up a long-term plan for spreading scientific knowledge.

The Beijing Municipal Government will formulate Provisional Regulations governing the Spreading of Scientific Knowledge and other laws and regulations, he said.

Meanwhile, upgrading of the Beijing Observatory, the Beijing Museum of Nature and the Beijing and David's Deer Experimental Center will be speeded up, he said.

A number of key facilities for spreading scientific knowledge will be built, he added.

The municipal government will allocate five million yuan for projects to spread scientific knowledge this year, he said.

This year Beijing will hold a number of events for spreading scientific knowledge, such as the science and technology week, love-science week and love-the-bird week.

Beijing has 15,000 professional technicians specializing in spreading scientific knowledge, he said, adding that it has 91 museums and memorial halls, more than any other city in China.

It also has 55 information agencies and 335 research institutes, both more than any other city in the country.

Military & Public Security

PRC: Indonesian Training Vessel Visits Guangzhou
OW2005164296 Beijing XINHUA in English
1620 GMT 20 May 96

[FBIS Transcribed Text] Guangzhou, May 20 (XINHUA) — The Dewa Ruci, a training vessel of the Indonesian navy, left here for home today after winding up a five-day visit.

Wahyu Sasongko, captain of the vessel, visited the headquarters of the Guangzhou Military Area Command and the headquarters of the Guangzhou Naval Base, and met with leaders of the city.

On May 17, Yang Fucheng, commander of the Guangzhou Naval base, hosted a banquet in honor of the Indonesian guests. Speaking at the banquet, Yang said that last year, three vessels of China's South China Sea Fleet visited Indonesia and now, the Indonesian training vessel is visiting Guangzhou. This shows that the navies of both countries have increased their friendship and exchange of visits, he said.

PRC: Liu Huaqing Calls For Stronger Navy
OW2005151796 Beijing XINHUA in English
1434 GMT 20 May 96

[FBIS Transcribed Text] Ningbo, May 20 (XINHUA) — Senior Chinese leader Liu Huaqing urged military officers at various levels to set good examples for the armed forces so as to raise their combat effectiveness.

Liu, a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee and vice-chairman of the Central Military Commission, made the appeal during an inspection tour of the East China Sea fleet in Zhejiang Province on May 16-20.

He praised the fleet for its achievements in military training, standardized management and logistics work over the past few years, especially successful military maneuvers last year.

The senior military leader encouraged naval officers and men to improve military equipment and step up military training and strict management so as to act as staunch protectors of China's territorial seas.

PRC: Major Units Make Democratic Life Meetings Successful

HK2005051596 Beijing JIEFANGJUN BAO
in Chinese 5 May 96 p 1

[Report by Tang Wu (0781 2976) and Ji Wen (4764 2429): "Party Committees of Major Units Throughout the Army Earnestly Make Democratic Life Meetings a Success"]

[PTS Translated Text for FBIS] Guided by Central Military Commission [CMC] Chairman Jiang's instruction, "leading cadres must talk about politics," and focusing on studying and implementing the General Political Department's "Opinions on Strengthening the Education and Administration of Senior- and Intermediate-level Cadres in the Army," which was relayed with comments by the CMC, various major units throughout the Army, since the beginning of this year, have made democratic life meetings for party committee standing committee members successful by implementing the spirit of rectification, paying attention to resolving problems, and studying the implementation of the "Opinion," thus effectively promoting the education, administration, and supervision of senior cadres.

Party committees of various major units made activities in heart-to-heart talks an important link in making democratic life meetings successful and in strengthening the education and administration of senior cadres, and have unfolded these activities with ample preparations. Before calling democratic life meetings for standing committee members, secretaries and their deputies of party committees at many units would conduct separate heart-to-heart talks with standing committee members. While harmonizing relationships and communicating with each other, the secretary would mildly touch upon the problems and weaknesses of each standing committee member. In conducting heart-to-heart talks, each side would pay attention to pointing out the shortcomings and points desiring improvement of the other, while paying attention to modestly hearing and actively adopting the opinions of the other side, and to being courageous in giving up or revising his own incorrect views. Through heart-to-heart talks, mutual understanding was deepened, comradeship grew, and misunder-

standings between some comrades were removed, thus laying a foundation for unfolding criticism and self-criticism at the meeting.

Standing committee members of party committees at various major units drew close links with their actual conditions in light of Chairman Jiang's requirement on "respecting, examining, admonishing, and encouraging oneself" [zi zhong, zi xing, zi jing, zi li 5261 6850 5261 4165 5261 6226 5261 0536]," while comparing themselves with the "Opinions" and consciously examining themselves, point by point. Some units have examined their problems in talking about politics and observing political discipline, and the main cause was a weak sense of the issue, and the lack of in-depth study on how to talk about politics under the new situation. One standing committee drew links to a certain major economic case that had taken place in the unit, and examined the standing committee's problems, such as its lack of strong ability in political differentiation and political acuteness, its insufficient understanding of the grave effects of decadent ideas and culture on cadres at and above the regimental level, its relaxation of education and administration, and its carelessness in employing cadres. Others found their gap in uprightness, honesty, and self-discipline, and expressed their will to further strengthen the tempering of party spirit and ideological cultivation; to continue engaging in constant introspection and self-examination; and attentively safeguard the upright, honest, and clean image of senior cadres. Still others found their gap in leadership style, and they examined and reflected on the standing committee's problem of ineffectiveness in the constant education, administration, and supervision of cadres; made sincere self-criticism; and answered for the responsibility in leadership.

At democratic life meetings, the party committees of various major units have attached importance to overcoming the "lack of confrontation of ideas in conducting mutual criticism." Many standing committees were able to place problems on the table, and unfolded criticism in a truth-seeking way. Some comrades would single out others and point out their errors in straightforwardness. Many comrades have attached importance to principle, but not the face of those who are concerned, and would touch on "the sore points" of some issues. Quite a few comrades were courageous enough to point out problems and trends in organizational building in a clear-cut manner so as to tell right from wrong; consequently, everyone has been educated. On the basis of unfolding mutual criticism, secretaries earnestly did a good job of summation. The secretaries of party committees at many major units, and their deputies, have repeatedly discussed the ideological and work conditions of

every individual standing committee member so as to unify thinking, while doing their best to put the characteristics and weaknesses of every standing committee member accurately — his accomplishments would be fully affirmed, and his shortcomings and he would be reminded of problems or would be criticized, as called for. Some standing committee comrades reflected that such practice was political concern and care for them, from which they further found some gap, with a clear idea of how to exert themselves.

PRC: Model Cadre on Nanshas Praised

OW2005061696 Beijing XINHUA Domestic Service in Chinese 1311 GMT 4 May 96

[Report by RENMIN RIBAO reporter Li Chenghua (2621 2052 5478) and XINHUA reporter Huang Caihong (7806 1752 5725)]

[FBIS Translated Excerpt] In covering the garrison troops on the Nansha Islands, when we heard the officers and soldiers sincerely talking about the moving deeds of Gong Yunchong, "a model cadre who loves the country and guards the reefs," we were so overcome with emotion that our eyes were filled with tears..... [ellipsis as received] [passage omitted]

He Goes to the Nansha Islands Nine Times, Sets Nine Firsts

[passage omitted] In January this year, Gong Yunchong, who took advanced training at the Nanjing Naval Commanders Institute for a year, graduated with a good academic record. Before graduation, he wrote a letter to the party committee of the Nansha garrison, asking to return to the Nansha Islands to apply what he had learned to the practice of guarding the reefs.

Three times over the past six years, Gong Yunchong gave up the opportunity to work in a big institution and a big city and took the initiative to guard the Nansha reefs. People asked: "Are you still going to the Nanshas? Why?"

With a smile, he said: "My career is in the Nanshas. If there is something to attempt, that is to discharge the duty as a soldier and guard every reef and every inch of our sea area so as not to let down the motherland or our coming generations."

On 9 March, Gong Yunchong finally returned to the Nansha Islands, which he left for a year. This was his ninth landing in the Nanshas. [passage omitted]

In the Nanshas, what the soldiers who guard the reefs the most admired was the nine firsts Gong Yunchong set in the islands: With the troops garrisoning the Nansha

Islands, he worked as long as six years; he guarded the reefs for two years and one month; he guarded the reefs for 1,080 days; he was on patrol duty in the Nansha Islands 60 times or so; he travelled 20,000 nautical miles of the sea area; collected 200,000-plus-characters of data about the islands; organized 14 rounds of the changing of the guard and supply; grew over 10,000 jin of vegetables during his spare time; and got a first in a live-fire competition. [passage omitted]

In the Nansha Islands' reef fortresses, Gong Yunchong led officers and men in opening up the Nansha's first man-made plot of vegetables, in raising the Nansha's first house of pigs, and in building the Nansha's first garden on the sea..... [ellipsis as received] Experts call all these magnificent feats by mankind in conquering nature. [passage omitted]

He mastered the detailed layout of major reefs of the Nansha Islands; gathered large quantities of firsthand hydrometeorological as well as geological and geomorphological data and data about the Nansha Islands' produce resources; took some 1,000 photos and 12 cassettes of videos around the islands, and wrote a 120,000-character special report. The report, an embodiment of his hard work, which has filled in the gaps in many fields of scientific research on the Nansha Islands, was given the first-grade award by the People's Liberation Army general departments.

In His 20 Years of Army Life, He Wrote 200 Letters to His Family

[passage omitted] Gong Yunchong's family has many misfortunes. His grandmother lost sight in both eyes and is paralyzed; his father had his ribs injured in a road accident; his mother is feeble and ill; suffering from polio, his senior younger brother walks with the help of two walking sticks; his junior younger brother has hepatitis; and his younger sister got burned and has thus become disabled. This unfortunate family is supported by his wife Shi Quan, painstakingly and entirely. How badly the family needs his help! In their 10 years of marriage, the husband and wife have lived in different places and they have lived together for just 360 days or so in all. His wife said: "He joined the army for 20 years. The family's only consolation is that he has written 200 letters to us." [passage omitted]

During his six-year service with the Nansha garrison, he was recalled four times by emergency telephone calls to carry out tasks during his vacations; and every time he managed to return to his troops in advance or on time, and he never delayed in doing so. Those familiar with him were all clear that for the sake of the Nanshas, he has made lots of sacrifices. [passage omitted]

He Owes a Debt of 30,000 Yuan, Donates Some 2,000 Yuan

[passage omitted] In July 1991, when Gong Yunchong, who was guarding the reefs of the Nansha Islands, watched on television scenes of Anhui and Jiangsu being hit by floods with a heavy heart. [passage omitted]

Early next morning, he assembled the officers and men of the Yongshu Reef and suggested donating money for the flood-hit areas. He took the lead by donating 100 yuan. The officers and men followed suit. Some donated 50 yuan and others 30 yuan. Very soon they had donated 4,000 yuan or so. [passage omitted]

"Communist Party cadres should have the party at heart, work for the people, and keep the soldiers in mind." This is what Gong Yunchong often said and did. Comrades at his side secretly made an account that registered the money Gong Yunchong donated to the soldiers guarding the reefs, victims of natural disasters, and Project Hope in recent years and it roughly amounted to 2,000 yuan or so. [passage omitted]

Nevertheless, Gong Yunchong's own family is in utter destitution. Eight members of his family have all along lived packed in a worn-out and low one-story house. Last year, the township government raised funds to build his family a new house with three bedrooms and a drawing room. For this alone, he owed 30,000 yuan. However, Gong Yunchong has never talked to the organization about any difficulties and never asked the organization for any help during his 20 years of army life.

He Makes 60 Public Lectures, Answers 100 Questions

[passage omitted] In the last few years, using holidays and spare time, Gong Yunchong went to Jiangsu, Guangdong, and Hainan to explain and publicize the Nansha spirit and the concept of seas and oceans among university students, middle and primary school students, young people, the masses of workers and staff members, and office cadres. He gave 60 public lectures and answered 100 questions or so raised by young people.

On a Saturday morning in September last year, Gong Yunchong was invited to give a public lecture at the Nanjing Railway Medical College. As the lecture started, the students arrived one after another. The 1,000-seat auditorium was so crowded that the corridors were packed with students. While speaking, he got more and more excited. With intense emotion, he read out to the students the antithetical couplet he wrote on a Nansha reef, which reads: "In dedicating ourselves to the service of the country, we must not forget the 3

millions (referring to our country's sea territory); and in weighing gain and loss, we must think of the 200 million families (referring to the round number of families in our country)."

"Yellow represents money. Black represents academic degree. In the face of this world of numerous and varied colors, I proceed without hesitation to advance toward blue, because blue represents seas and oceans."

The audience burst into thunderous applause. Brimming with tears, the students were all enthralled.

As the 90-minute lecture ended, the old president of the college stood up, saying: "Fellow students, the Nansha guards are the models for contemporary students to learn from. We must never forget them!"

The motherland and the people have never forgotten Gong Yunchong. The Navy and the South China Sea Fleet chose him as one of "the Navy's 10 Outstanding Youths" and "the Outstanding South China Sea Guard." An activity to learn from Comrade Gong Yunchong is being extensively carried out in his native province of Jiangsu and in Guangdong and Hainan Provinces, where his troops are stationed.

"PRC: Militia Support in High-Tech Local War Viewed

96CM0235A Beijing GUOFANG [NATIONAL DEFENSE] in Chinese 15 Jan 96 No 1, pp 13-14

[Commentator article by Zhang Zesheng (1728 3419 3932): "A Brief Discussion of Support to the Front by the Urban Militia in a High-Tech Local War"]

[FBIS Translated Text] With the appearance in the international military arena of the high-tech local war model, a conscientious study and solution of the problems involved in wartime support to the front by the urban militia will be of extremely crucial importance in making up the People's Liberation Army's technical deficiencies to win coming local wars on high-tech terms.

I. High-Tech Local War Brings Sharp Change to Support to the Front by the Urban Militia

With the widespread application of high technology in war bringing epochal change to the means, scale, and style of warfare, wartime support to the front by the urban militia is absolutely different than it once was.

The changed setting of support to the front. While support to the front used to be on conventional weapons terms, it is now carried out under the threat of high-precision, high-casualty inflicting, and high-destructive force enemy arms, which undoubtedly adds to its difficulty. While the battlefield front and rear used to be clearly demarcated, so that support to the front was

easy to organize, the high-tech local-war battlefield is three-dimensional [triphibious], with the lines between the front and the rear blurred, so that the climate of militia support to the front is more complex and varied. And while war used to be conducted mainly in rural, mountainous, and plains areas on the periphery of cities, local war is now focused on cities, with the city center being the target of first strike so support to the front by the urban militia is more direct.

The changed means of support to the front. The means of support to the front in a high-tech local war are also much different than they were. While transport support to the front used to be dependent mainly on indigenous [local] means such as rickshaws, animal-drawn carts, and stretchers, in operational support to the front in coming local wars on high-tech terms, such means will be essentially or even totally inapplicable. More means such as railway, highway, waterway, and airline shipping will be used for support to the front through modernized transport means.

The changed implications of support to the front. As past support to the front consisted mainly of supply units delivering to the front war materiel such as weapons, ammunition, and army provisions, anyone could take part in it. But high-tech local war differs, in that scientific and technical support to the front will gradually become dominant, with scientists and technicians and science and technical goods having a direct impact on the whole course of war.

II. The Organization and Application of Support to the Front by the Urban Militia in a High-Tech Local War

As high-tech local war is very destructive with enormous materiel damage and consumption, it will be hard to perform missions by being dependent on military support alone. This means that widespread militia and public participation and support will be necessary. So how should the urban militia be organized to provide rapid support to the front? We first need a clear guiding ideology for support to the front, or an effective increase in mobilization for support to the front, with the emphasis on priority units and crucial directions, while paying attention to the needs of other units and directions, to ensure fast and timely operating forces for overall support to the front. In addition, as to the specific organization and application of militia support to the front, we also need to grasp the following links:

We need strong organizational leadership for support to the front. As to the organizational leadership for support to the front, or that by regional enterprises and institutions, despite their departmental or corporate industrial

jurisdiction, they all need to organize support to the front in line with the regional and industrial principle of "a combination of lateral and vertical, with the emphasis on vertical [organization]." The leadership for support to the front should be by [people's] armed forces commissions at all levels, mostly by the county (municipal, district) people's armed forces, with participation by the pertinent departments such as civil air defense, civil administration, public health, public security, transportation, and highways, and with their membership organized and registered in advance during peacetime, and the militia establishment checked and adjusted yearly. The troop establishment for support to the front should in principle be the organization of local militia into combat and reserve units for support to the front. Already called-up troops should be part of the combat establishment for support to the front, while not yet called-up ones should be part of the reserve establishment, with attention paid to the need for all specialties to be complete.

We need to make advance plans for diverse scientific support to the front. Such advance plans mainly include areas such as wartime militia assembly, specialized technical militia units for support to the front, combat replacement unit troops, operational support to the front on the periphery of cities, and wartime draft of civilian vehicles. But as all advance plans are plans of action drawn up by assumption and guesswork, making them very hard to coincide completely with combat realities, every advance plan needs to be considered in more detail and complexity, with at least more than two contingency measures to ensure their fulfillment. That is the only way to keep local changes from disrupting the overall deployment.

We need a clear mission and division of labor. In high-tech local war, the probable mission of support to the front performed by the militia is roughly in the following areas: 1. Producing and delivering all war materiel, and rescuing [giving emergency treatment to] and escorting the wounded; 2. Helping the armed forces build defense works, and erecting camouflage works; 3. Rush-repairing and emergency building of military highways, railways, bridges, and communications lines, and manufacturing and maintaining of weaponry; 4. Performing observation, security, and patrol missions; 5. Clearing rubble and roadblocks, and helping partially damaged enterprises resume production as quickly as possible. Grounded in these missions, we need to have a clear division of labor coordinated with the various specialties of local militia units providing support to the front. In addition to all technical support units being deployed by direct mobile headquarters command, all urban-district neighborhood and tract militia need to

have the personnel and equipment for the highways, waterways, bridges, underground passages, public health clinics, and repair shops in their jurisdiction, so that in wartime all know their positions and responsibilities. This will make the front-support network linked up in their district. And we need to form an automatic operating system for support to the front on local terms, to ensure during wartime that whatever locality needs emergency support receives it quickly and effectively.

III. The Importance of Laying a Good Peacetime Foundation for Support to the Front

The crux of wartime support to the front hinges on basic peacetime preparations. With the emphasis on preparing the urban militia for support to the front, we need to stress the needs of coming high-tech wars, setting urban militia plans for and means of support to the front.

We need to reinforce our leadership in preparing the urban militia for support to the front. As peacetime front-support preparation is a common mission of the party, government, military, and public, involving all fields such as politics, economics, military, culture and education, public health, and S&T, we need to reinforce its leadership. 1. We need to put preparing the militia for support to the front on the leadership agenda at all levels, fully considering wartime front-support needs in our economic construction. For instance, in areas such as road building, warehouse construction, and railway station and dock location, we need to make overall plans in consideration of both peacetime and wartime needs. 2. We need to set up a system of regular inspections of front-support preparations by regional leaders, for timely guidance of the front-support base in areas such as organization, management, and training. 3. We need to clarify command jurisdiction, rationalizing command relations, and avoiding duplicate and overlapping command, to conscientiously raise our work effectiveness.

We need to train high-quality talent, with each militia member having multiple abilities. High-tech war requires high-tech talent. The Gulf War and the Mideast War proved that over 100 talent specialties are needed to operate high-tech war machinery. As training and tapping more specialized talent is a very difficult task, we need to fully exploit the favorable terms of the higher literacy of the urban militia, employing forms such as computer, electronics, minesweeping, antichemical warfare, oil management, and language translation training classes, to train diverse specialized technical talent suited to modern war needs. So once war breaks out, all categories of personnel will be able to take up arms to support the front or even take a direct part in the fighting.

We need to do a good job of the basic task of front-support material reserves. War materiel consumption grows unprecedentedly on high-tech terms. In the Gulf War for instance, a one-month materiel supply for the U.S. military equalled that of a year in the Korean War. That shows the crucial importance of peacetime materiel reserves in winning local war on high-tech terms. We need to do these jobs well: 1. As to existing local military materiel, we need to inventory and account for war-readiness materiel such as arms and ammunition, communications equipment, uniforms, and vehicles, putting them in order, and assigning specialists to care for them properly. 2. As to the product quantity and quality of local war industry enterprises and military-local interchangeable enterprises, and the high-tech, precision, and cutting edge research project performance and functions of local colleges and universities and research departments related to war industry, we need to get a clear accounting as well as establishing detailed registration cards. 3. We need to make detailed plans for local materiel reserve locations and distribution. For instance, as to the stockpile volume and conditions of multimateriel reserves such as commodity warehouses (including open-air depots), food stocks, arms stocks, and oil reserves, we need blueprints and illustrations. And we need to keep records on the disposition of such warehouses, considering transportation convenience and wartime camouflage. 4. We need to safeguard well military installations such as civil air defense works, national defense works, and all positions and command posts. If our military installations are managed poorly in peacetime so that they cannot be used in wartime, that not only bungles the chance of winning a battle, but also requires a large input of human and material resources for restoration. So safeguarding our military installations well is actually also a kind of materiel reserve.

We need to train our urban militia well in support to the front. As to the job of support to the front by the urban militia in high-tech local war, what means are actually fastest and most effective? And what plans are more realistic? This requires not only theoretical discussion, but even more so practical exploration and summing up, including timely simulated exercises in support to the front to improve the effective means of front-support capability. To organize exercises in support to the front by the urban militia, we need to: 1. Act in line with local realities, by choosing weak links and priority directions as questions for study. 2. We need to pay attention to training levels. They can be divided into the four levels of front-support training in coordination with troop exercises, front-support command training for front-support command posts, front-support training for specialized militia technicians, and front-support training for ordinary militia members. That will keep

the manpower used in each exercise from getting too large, reducing the impact per unit, while achieving the training objective. 3. We need to act in line with our economic construction. For instance, training exercises such as front-support transport, emergency construction of military roads, and clearing of rubble and roadblocks can be combined with economic construction needs, with the militia genuinely organized to perform missions such as building a stretch of highway or clearing ruins, while using the environment as a training installation. That will test the militia's front-support capability, while contributing to our economic construction.

PRC: Zhuhai Needs 1,000 Police Officers To Fight Rising Crime

HK2005080596 Hong Kong SOUTH CHINA MORNING POST in English 18 May 96 p 8

[By Irene So in Zhuhai]

[PTS Transcribed Text for FBIS] Zhuhai will need another 1,000 officers to fight soaring crime in the city, the Deputy Director of Public Security Qian Wenlu said.

There were more than five times the number of murders in the first four months of this year compared to 1995, he said.

Mr Qian dismissed criticism that police in Guangdong were half-hearted in fighting crimes and said understaffing and a lack of modern communication equipment were two main handicaps.

In addition to employing new recruits, officers who had not received proper training would be sent back to schools to be re-trained.

Although the number of officers had doubled to 4,000 in four years, Mr Qian said Zhuhai needed to spend more in improving the accommodation and pay its officers more. He said poor benefits were already damaging the morale of the police force.

Many criminals were attracted by Guangdong's wealth. They would usually seek refuge in their home provinces after committing crimes there.

Mr Qian said Zhuhai was still looking for at least 300 suspects who police believed are hiding in other provinces.

Eighteen were captured by police in other provinces in the continuing "Strike Hard" anti-crime campaign.

"Without such anti-crime movements nationwide, we couldn't have reaped such a big harvest. It is rare that we can employ all our manpower and efforts to co-operate with other provinces to arrest so many fugitives," he said.

"Most criminals are clever in that they fled to other provinces long before we put up an arrest warrant. That's a very big problem in Guangdong. We don't have enough officers to go after these criminals far away and colleagues in other provinces are not keen on looking for them because some officers in other provinces feel that they will not get the credit even if they catch them."

Mr Qian revealed that Guangdong was planning to set up permanent offices in other provinces. Through these new offices, Guangdong leaders hoped to break the long-standing regional barrier in China and improve coordination.

Mr Qian said the first office would be in Sichuan province and negotiations between Guangzhou and Chengdu were under way.

At least three Guangdong police officers would be stationed at each office, responsible only for tracking down the persons wanted by the provincial police.

PRC: Shenzhen Municipal Court Sentences 37, Executes 12

OW2105033796 Beijing ZHONGGUO XINWEN SHE in English 0127 GMT 21 May 96

[FBIS Transcribed Text] 20 May (CNS) — The Shenzhen municipal intermediary court today passed sentence terms on 37 prisoners who were found guilty of offenses of robbery, rape, theft, handling stolen goods, causing bodily harm to other people and coercing women to becoming prostitutes. The death penalty was imposed on 12 of them.

Among the 12 executed persons, a gang of six was found guilty of robbing RMB 99,880, HK\$ 125,400 and a number of valuables on 29 occasions in the cities of Dongguan and Shenzhen.

General**PRC: Ministry Finds Enterprises Evaded 16 Billion in Taxes***OW1905143696 Beijing XINHUA in English
1338 GMT 19 May 96*

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — A national investigation has disclosed that about half of the 410,000 checked state-owned enterprises were found to have evaded taxes.

The 1995 national check on financial affairs and taxation, which was conducted by the Ministry of Finance, showed that about half of the 410,000 checked state-owned enterprises were found to have defaulted on a total of 12.8 billion yuan in taxes.

Out of 1.683 million enterprises and institutions, 771,300 were found to have evaded 16.577 billion yuan in taxes last year, a five-percent rise over the previous year, according to the check.

Tax evasion is still serious among the country's enterprises and institutions, though the same kind of inspections have been made annually over the past decade, said officials with the ministry.

They attributed the losses to loopholes in tax supervision work, weak enforcement of laws on taxation and lack of awareness among the enterprises of the importance of paying taxes.

PRC: State Council Circular on Consolidating Medical Market*OW1905133196 Beijing XINHUA Domestic Service
in Chinese 1111 GMT 13 May 96*

[By reporter Cong Yaping (0654 0068 1627)]

[FBIS Translated Text] Beijing, 13 May (XINHUA) — The State Council General Office recently issued the "Circular on Continued Consolidation and Standardization of Pharmaceutical Product Production and Operation Order and on Enhancing Pharmaceutical Product Management." It calls for all levels of governments and relevant departments to stress the overall situation, to resolutely oppose local protectionism, and to ensure the enforcement of the state laws and regulations.

The "circular" points out that the phenomenon of illegal production and operation of pharmaceutical products still exist and that the task of enhancing pharmaceutical product management is rather arduous. Kickbacks on pharmaceutical products cause loss of state revenue and unfair competition, trigger rise in pharmaceutical product prices, increase the burden of enterprises and consumers, disrupt social and economic order, and en-

courage the criminal manufacturing and sale of fake medicines. The State Council, therefore, decides to conduct a special investigation into illegal kickbacks in procurement and marketing of pharmaceutical products. In addition to confiscating kickbacks, those involved will be treated as givers and takers of bribes. Judicial organs will, according to law, seek criminal responsibility against acts that constitute a crime. Units and individuals involved in serious cases will be sternly dealt with and their deeds will be exposed in the news media.

The "circular" calls for stepping up management over general medical product suppliers; ensuring the people's safety in medical product use; conducting strict examination, approval, and management over medical product production, over enterprises, and over private businesses; strengthening management over product varieties and quality of medicines; and resolutely cracking down on country market.

The "circular" calls for completion of the current improvement of the pharmaceutical production order and management before 30 September this year.

PRC: Central Authorities Issue Circular on Legal Education*OW1905115796 Beijing XINHUA Domestic Service
in Chinese 0506 GMT 15 May 96*

[FBIS Translated Text] Beijing, 15 May (XINHUA) — The CPC Central Committee and the State Council recently issued a circular on transmitting the "Third Five-Year Plan of the CPC Central Committee Propaganda Department and the Ministry of Justice for Launching a Legal System Propaganda and Education Campaign Among the Citizens." Following is the text of the circular:

The party Central Committee and the State Council, in agreement with the "Third Five-Year Plan of the CPC Central Committee Propaganda Department and the Ministry of Justice for Launching a Legal System Propaganda and Education Campaign Among the Citizens," are transmitting this document to you. We ask that all localities and departments make concrete arrangements in light of local conditions to carry out this plan.

Doing a good job in legal system propaganda and education is a fundamental task for building socialist democracy and legal system in China and is the common mission of the whole party and the people throughout the country. Party committees, people's congresses, and governments should strengthen leadership and supervision to ensure that all tasks set in the third five-year plan for legal system propaganda and education are smoothly

implemented; they should focus on studying Comrade Deng Xiaoping's theories on building socialist democracy and legal system and on studying legal knowledge related to the socialist market economy, persist in integrating legal system propaganda and education with practice in the legal system and with economic and social development, work in a down-to-earth way, and strive to achieve practical results. Cadres at all levels, specially leading cadres at and above the county and departmental levels, should take the lead in studying legal knowledge to raise their ability to assume management and make decisions according to law. Judicial personnel and administrative law-enforcement personnel should strive to increase their legal knowledge, be faithful to law, safeguard the dignity of the Constitution and the law by strictly enforcing laws, and safeguard the unity of the socialist legal system. It is necessary to conscientiously sum up the experiences in the work of popularizing legal knowledge during the two earlier five-year plan periods; adopt practical measures; gradually standardize and institutionalize legal system propaganda and education work; promote a healthy trend in society in which laws are studied, applied, and abided by; strive to increase the legal knowledge of the cadres and the masses, and lay a solid foundation for administering the country according to law and for building a country that practices the socialist legal system.

PRC: Institute of Nationalities Reports Research Achievements

OW1905135796 Beijing XINHUA Domestic Service
in Chinese 2120 GMT 11 May 96

[By reporter Ge Lai (2706 0171)]

[FBIS Translated Text] Beijing 12 May (XINHUA) — The Institute of Nationalities under the Chinese Academy of Social Sciences has scored major achievements in scientific research in the last two years, thus producing a positive impact on strengthening unity among nationalities, safeguarding national unity, and promoting the economic development of areas inhabited by minority nationalities.

The Institute of Nationalities under the Chinese Academy of Social Sciences, which houses a large number of outstanding scientists and researchers of all nationalities throughout China, has scored major achievements in scientific research in the last two years and completed 208 new treatises and 1,799 research papers. These achievements of research, which made intensive exploration of such issues as the formation, development, and exchange of various nationalities in China from the historical, cultural, economic, and other aspects, have filled the gap in some aspects of the research of nationalities.

The books, such as "The Nationality Problem and Nationality Policy in the World Today," "Outline of History of National Relations in China," and "The Nationality-to-Nationality Problem in China — on the Theory and Practice of the Communist Party of China on Solving the Nationality Problem," have systematically studied and expounded the party's policy toward nationalities and the relations between different nationalities, with the Marxist theory on nationalities as the guide and are thus well received by academic circles. The book "Tibet is an Inalienable Part of China" reflects accurately and in great details the historical process of the inalienable relations between Tibet and China, and the book "An Investigation and Study of the Use of Minority National Language and the Problem of Written Language in China" has provided a scientific basis for the future formulation of state plans for relevant spoken and written language work in the new period.

During the Eighth Five-Year Plan, the Institute of Nationalities under the Chinese Academy of Social Sciences conducted investigations and study of the present conditions and development of minority nationalities in China and compiled some 50 investigation and study reports one after another, which reflect the present situation of the areas inhabited by minority nationalities and has made positive suggestions, thus attracting the attention of relevant departments. The video tapes concerning the study of anthropology, which were shot by the Institute of Nationalities, such as "The Kazakh Nationality in Xinjiang," "The Traditional Culture of Tibetan Nationality," "The Culture of Bai Nationality," and "the Culture of She Nationality," have revealed to the world the varied and profound cultures and mental outlook of minority nationalities in China, thus attracting the attention of the international anthropologic community.

PRC: 'Torch Plan' Hi-Tech Industry Zone Forming in Fujian

OW2005081896 Beijing ZHONGGUO XINWEN SHE
in English 0116 GMT 20 May 96

[FBIS Transcribed Text] May 18 (CNS) — An industrial zone engaged in digital telecommunications, audio-visual product, computer, medicine and oceanic development is forming gradually in the southeast of Fujian. This is the result of the "Torch Plan" which emphasized hi-tech development in the "Eight Five-Year Plan."

According to State science and technology departments, there are 150 hi-tech industrial enterprises in southeast Fujian. In 1995, annual output was RMB [renminbi] 9 billion, or 14.41 per cent of the total industrial output in Fujian to place it second in China. The "Torch Plan" was started in 1988; hi-tech development regions have been set up in Fuzhou, Xiamen, Putian, Quanzhou and

Zhangzhou. At the same time, the Provincial Government issued "Regulations for Hi-Tech Industrial Development"; preferential policy concerning tax payments, loan, purchase of equipment and the introduction of personnel are included.

With the gradual improvement of investment conditions in hi-tech industrial development regions, businessmen and technicians from the mainland and overseas are investing. At the end of 1995, many projects in the hi-tech development regions at Fuzhou and Xiamen were in process. Quanzhou, Zhangzhou and Putian Hi-Tech Regions have been in operation with some projects having an annual output of RMB 100 million.

PRC: Domestic Car Market Has 'Biggest Potential in the World'

OW2105034196 Beijing XINHUA in English
0048 GMT 21 May 96

[FBIS Transcribed Text] Beijing, May 21 (XINHUA) — Individual purchases of cars have maintained a year-on-year growth rate of 51 percent in China since 1992, making this nation of 1.2 billion people the auto market with the biggest potential in the world.

The number of private cars in China had reached 2.5 million by the end of last year, accounting for 23.8 percent of the whole of the country, according to the "Business News".

The paper said that every year about 80 percent of medium-sized automobiles and 50 percent to 80 percent of small cars manufactured in China are bought for personal use. Most private automobiles are used for goods and passenger transport services.

Industrial analysts said that the country's auto market will largely depend on the swelling demand for private automobiles.

They said that the domestic industry should produce more "economy cars" with lower petroleum consumption and more functions, aimed at fully meeting the demand from all walks of life.

PRC: Demand for Buses, Bicycles Increases

OW2005114496 Beijing XINHUA in English
0711 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — China's demand for buses and bicycles are on the increase, as the country of 1.2 billion people continues to depend on public transport or peddle power as a way of getting around.

Officials predict that demand for buses this year will reach 360,000, up some 12.5 percent over 1995.

Orders for light-duty buses are expected to reach more than 200,000, while over 127,000 mini-buses are expected to be needed. There is likely to be a need for almost 28,000 larger and medium-sized buses.

But peddle-power still dominates the streets with China now having more than 10 bicycle manufacturers each with an annual output topping one million bicycles. Some medium and small-sized bicycle makers are reported to be unprofitable, and only 30 percent of producers with the Cycling Association of China make profits.

The increase in demand is largely due to people replacing their two-wheelers every ten years, compared to the previous lifespan of a cycle of 15 years.

PRC: Eastern Airlines Expanding International Flights

OW2005162896 Beijing XINHUA in English
1541 GMT 20 May 96

[FBIS Transcribed Text] Shanghai, May 20 (XINHUA) — China Eastern Airlines, based in this, China's largest metropolis, has arranged for more new international air routes and flights.

Beginning May 21, the airline company will open a new air route from Shanghai to Munich in Germany via Beijing. The plane takes off at 8:55 every Friday morning.

Flights from Shanghai to Los Angeles will increase from the present three each week to five.

Passengers leaving Los Angeles for Shanghai on Tuesday, Thursday and Saturday will fly directly to Beijing and then land in Shanghai.

On Wednesday the plane will go directly from Los Angeles to Beijing and Shanghai, respectively.

Planes from Qingdao City in Shandong Province to Osaka City of Japan on Tuesday and Friday via Shanghai will leave Beijing for Osaka via Qingdao.

Flights directly from Shanghai to Osaka will leave every Monday, Wednesday, Thursday, Saturday and Sunday.

Flights from Shanghai to Bangkok via Shenzhen City in Guangdong Province will now go directly from Shanghai to Bangkok.

The company will also increase a flight to Singapore on the basis of the present three flights a week.

Finance & Banking

PRC: Shanghai Industrial To Go Public in Hong Kong

OW2005162596 Beijing XINHUA in English
1548 GMT 20 May 96

[FBIS Transcribed Text] Hong Kong, May 20 (XINHUA) — Shanghai Industrial Investment Co., Ltd., the overseas investment arm of China's largest metropolis Shanghai, will have its key operations listed on the Hong Kong Stock Exchange.

The listing vehicle — Shanghai Industrial Holdings Limited (Shanghai Industrial) — comprises four manufacturing companies, namely, Nanyang Tobacco and Wing Fat Printing in Hong Kong and Shanghai-based Sunve Pharmaceutical and Shanghai Jahwa.

A total of 129 million shares will be offered at an issue price of 7.28 HK dollars (0.94 US dollars) per share. It is learned that 20 percent of the shares will be offered for public subscription, to start Tuesday [21 May] in Hong Kong, and 80 percent for an international placing to institutional investors.

Dealings in the company's shares are expected to begin on the Hong Kong Stock Exchange on May 30.

Cai Lai Xing, chairman of Shanghai Industrial, is confident that the company will become one of the successful Red-Chips, China-backed stocks with good performance at the Hong Kong bourse.

At present, Nanyang Tobacco is a main contributor to the company, accounting for 81 percent of its net income. With an annual production capacity of 10 billion cigarettes, Nanyang has built an extensive customer base in China and Southeast Asia.

Wing Fat Printing, a producer of packaging materials, has set up nine joint ventures in China. Sunve Pharmaceutical is one of China's leading manufacturers of healthcare products while Shanghai Jahwa is among the country's biggest producers of personal care and cosmetics products.

All the four factories are predicted to have growth opportunities in the future. The chairman said that in the short term the company will continue to focus on the manufacturing and sales of consumer products, while in the long run it will develop into a diversified investor in infrastructure projects and such pillar industries as automobile and chemicals. Shanghai and the Changjiang River Delta will remain its investment base.

The net proceeds of the share offer, expected to reach 870 million HK dollars (112 million US dollars), will be used mainly to expand production capacity and sales network, and to fund new projects in China.

Francis Leung, general manager of Peregrine Capital Limited, one of the sponsors and lead managers of the share issuing, saw Shanghai Industrial a potential Red Chip.

He said that as an old industrial base, Shanghai has advantages in developing pillar sectors such as automobile, chemicals and pharmaceuticals. The city enjoys a good geological position at the Yangtze River Delta, a booming area in east China and it is emerging as a financial hub in the country, added Leung.

Peregrine and Morgan Stanley Asia Limited are the joint global coordinators, sponsors and lead managers of the share issuing.

PRC: Eximbank To Enhance Quality of Credit Assets

HK2105065396 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19-25 May 96 p 3

[By Xu Binglan: "Eximbank Optimizes On-Lending"]

[PTS Transcribed Text for FBIS] The Export-Import Bank of China (Eximbank) will pay more attention to the quality of its credit assets when on-lending loans from foreign governments, said a bank official.

Set up in 1994, the bank was authorized last April to handle the policy-oriented on-lending business.

"The loans' policy-oriented nature lies in the government's choice of industries and the preferential interest rate," said Zhang Guanhan, general manager of Eximbank's foreign loan relending department.

"However, as a bank, we should manage the loans the same way as we do other business."

Eximbank plans to play a bigger role in the evaluation stage of proposed on-lending projects, scrutinizing the sources of matching funds and repayment and the guarantee measures from local government, he said.

Eximbank is calling for closer co-operation from local government to ensure better management of the loans and punctual repayment.

Eximbank took over some \$13 billion worth of outstanding foreign government loans from the China Trust and Investment Corp for Foreign Relations and Trade last year.

The bank signed 72 new relending projects with contracted value of \$2 billion during the business's first year, the official said. Outstanding foreign government loans stood at \$14.38 billion at the end of March.

Zhang said the bank conducted effective management and supervision on the transferred projects and paid all

amounts due during the one-year period Co-operation between Eximbank and local government loan users and foreign financial institutions has been reinforced during the year of business, and Eximbank's reputation has been established among many foreign counterparts.

Eximbank is now handling government loans from Japan, Kuwait, Australia, Germany, Austria, Belgium, Luxembourg, the Netherlands, Denmark, Sweden, Norway, Finland and the Nordic Investment Bank. Loans from Japan account for about 70 per cent of the total.

Zhang said more than 60 per cent of the foreign government loans were spent on infrastructure construction, including road and railways, power plants, telecommunications, water supply and sewage systems.

Incomplete statistics show that during 1985-1995, some \$7 billion of foreign government loans were spent on infrastructure.

Projects related to environmental protection, agriculture and forestry are increasing, he said.

The latest projects handled by the bank include the expansion of Beijing Intl Airport, water supply project in Xi'an, capital city of Shaanxi Province, and a power plant in Jiujiang, Jiangxi Province.

***PRC: Controlling Inflation Still Top Financial Goal**

96CE0203A Hong Kong CHING-CHI TAO-PAO [ECONOMIC REPORTER] in Chinese 12 Feb 96 No 8, pp 32-33

[Article by Zhu Maozhai (2612 3029 7872): "Financial Situation Stable, Inflation Under Control"]

[FBIS Translated Text] There was steady financial development in China throughout last year and all leading financial indicators outperformed their counterparts the year before. This year we must make the control of inflation our top priority in macro financial regulation and work and continue to carry out an appropriately austere monetary policy.

These two statements just about sum up the authoritative comments made by Ma Delun [7456 1795 0243], a spokesman for the head office of the People's Bank of China, on the operations of the financial industry last year and the new situation and new objectives it faces in the new year. He made the remarks at a news conference in late January which was attended by both Chinese and foreign reporters.

Reasons for Steady Financial Development Last Year

According to Ma Delun, the financial industry in 1995 "earnestly implemented an appropriately austere monetary policy, further strengthened financial supervision and control, improved financial services, and firmly reined in inflation." As a result, macro financial regulation and control has become even more effectual and financial work has been remarkably successful, as demonstrated primarily in these five areas:

The growth of the money supply eased off after stabilizing and aggregate demand has been brought under control. In 1991, the money supply narrowly defined (M1) expanded 16.8 percent to 2.398732 trillion yuan, off 10 percentage points compared with the year before and within the regulation and control target set earlier. The money supply broadly defined (M2) expanded 29.5 percent to 6.07495 trillion yuan, down 5 percentage points from a year ago but still quite high. Less cash was put into circulation (M0) in 1995, the net amount for the entire year being just 60 billion yuan, 82 billion less than the year before. Because the gap between aggregate supply and aggregate demand was reduced successfully, we were able to lower the social commodity same-month price index from 23.2 percent at the beginning of the year to 8.6 percent in December. For all of 1995, social commodity retail prices climbed 14.8 percent from the level in 1994, again within the control target set at the beginning of the year. Inflation has been brought under control for now.

Deposits of all types grew steadily and banks' ability to make payments was further stabilized. In 1995, deposits of all types at state banks increased 937.548 billion yuan, or 31.8 percent, exceeding the increase in 1994 by 142.86 billion yuan. Specifically, enterprise deposits rose 300.41 billion yuan, up 26.1 percent, exceeding the increase in 1994 by 27.08 billion yuan. Enterprises are now better able to make payments.

Savings deposits continued to grow strongly. As of late December, urban and rural household savings deposits totaled 2.96622 trillion yuan, 812.61 billion yuan more than at the beginning of the year, or 37.7 percent. Specifically, urban fixed savings deposits increased 608.77 billion yuan, accounting for 76.9 percent of the total increase in savings deposits.

The total amount of lending was kept at the right level and the mix of loans was improved to ensure the availability of funds necessary for economic development. In 1995, lending of all types by financial institutions increased 933.98 billion yuan, 212.32 billion yuan more than 1994. Specifically, lending by state banks rose 6.73871 trillion yuan [as published]. Most of the new

loans in 1995 went to basic industries, large and mid-sized mainstay state enterprises, and key state projects. The loans also helped ensure the availability of funds for the state to procure agricultural byproducts and boost agricultural investments.

The fund shortages some enterprises are experiencing at present are a result of the roll-back in aggregate demand due to macro regulation and control. However, the fund shortages affecting many other enterprises have little to do with macro regulation and control. In these cases the root cause of fund shortages is systematic flaws and structural imbalances, particularly the practices of siphoning off working funds to pay for fixed assets investment and dipping excessively into the "three funds of funds." Other causes are inefficiency and heavy losses. We should try to end fund shortages mainly by deepening enterprise reform, tightening management, accelerating fund turnover, and putting the stocks to use, instead of easing the money supply.

Exchange rates were stable on the foreign exchange market and government foreign exchange reserves rose significantly. In 1995 China's exports and imports continued to climb briskly and the country ran a substantial trade surplus, \$16.69 billion for the entire year. At year end China's foreign exchange reserves stood at \$73.597 billion, up \$21.977 billion from the previous year. This was enormously helpful to enhancing the government's ability to regulate and control the financial industry on a macro level and opening up China further. The renminbi's exchange rate on the foreign exchange market was stable, closing the year at \$1:8.31 yuan, slightly higher than the rate of \$1:8.44 yuan in effect at the beginning of 1995.

The central bank's basic currency was essentially brought under control. In 1995 the central bank's basic currency increased 360.39 billion yuan, down 39.16 billion from the increase in 1994. Since the beginning of this year, the central bank has followed an appropriately austere monetary policy, further improved the methods of regulating and controlling the basic currency, and raised the interest rates it charges its borrowers twice to dampen the overheated demand for loans. At a time when the foreign exchange reserves were taking up a large amount of renminbi, the central bank lost no time in adjusting its assets. Depending on the demand for currency at any given point in time, the central bank recalled loans previously made to financial institutions at the right time and with the right degree of flexibility or curbed the growth of lending to the financial institutions. The financial institutions managed to keep their reserve fund at a healthy level from month to month throughout the year, both ensuring

their ability to make payments and effectively checking the growth of the basic currency.

Danger of Aggregate Demand Explosion Remains

Although the economy and the financial system ran smoothly in 1995 and every leading financial indicator improved compared with the year before, a number of deep-seated problems in the economy have yet to be resolved once and for all. As a result, the retreat in commodity prices rests on a shaky foundation, there are still too many fixed assets projects under construction, agriculture remains weak as a base, and some state enterprises are struggling and running up heavy losses. Financially these problems manifest themselves mainly as a still inflated money supply broadly defined (M2) accompanied by intense expansionary pressure on the currency, the inability of financial institutions to improve the quality of their loans appreciably, and a slow-down in credit funds turnover. Although inflation has eased off for now, new potential pressure is slowly building and the danger of an aggregate demand explosion remains.

Five Major Tasks in Financial Work This Year

The national financial work conference, which ended recently, put forward the following general demand on financial work in 1996: Live up to the spirit of the Fifth Plenum of the 14th CPC Central Committee and the central economic work conference conscientiously, make the war on inflation the foremost task in macro financial regulation and control, continue to enforce the appropriately austere monetary policy, push ahead vigorously with changes in the financial system and credit funds management methods, improve the tools of financial regulation and control, step up financial risk supervision and control, raise the standard of financial services, set the stage for the furthering of financial reform and development during the Ninth Five-Year Plan, and better promote the sustained, rapid, and healthy development of the national economy. This general demand determines that we tackle the following as our main tasks in financial work in 1996:

Continue to follow the appropriately austere monetary policy to hold down price increases to 11 percent or so. Regarding the money supply and credit, our goal is to limit the expansion of M0 to about 14 percent and M1 to within 18 percent and to allow M2 to increase at a rate 4.5 percentage points lower than that in 1995.

Make financial supervision and management more rigorous. Prevent the emergence of systematic regional financial risk and preserve the legal and steady operations of the financial industry. The People's Bank of China Law, which went into effect last year, clearly defines

its responsibilities in the area of financial supervision and management. Starting this year, financial supervision and management has been evolving into systematic management. Rules are laid down to cover everything from the market access of an institution, its range of operations, and its conduct to the qualifications verification of its managerial personnel and risk management, and the rules are used to guide financial supervision and management work. The purpose of intensifying financial supervision and management is to give maximum protection to the depositor's interests and keep the financial system healthy and running in an orderly and stable manner, thereby supporting the development of the Chinese economy.

Deepening financial reform and opening up Chinese banking further to the outside world. Reforms in these areas will all be deepened: letting the market set interest rates, the management and operations of policy-based banks, the internal management of commercial banks, foreign exchange system, and insurance. More branches and representative offices will be set up in China by foreign financial institutions. Preparations would be made to enable foreign-funded banks to conduct renminbi transactions on an equal footing with their Chinese-funded counterparts. Localities with a high concentration of foreign-funded banks would be selected to experiment with the entry of foreign-funded banks into renminbi banking.

Improve financial services and support state enterprise reform. Among other things, we must strengthen accounts management and improve account settlement services to contribute to the reform of large and mid-sized enterprises. We will play an active part in and support enterprise bankruptcy in accordance with the law. We will speed up the computerization of the financial industry and set up a financial information network to provide the industry with prompt and convenient services.

Improve the banks' internal management. Make the utilization of credit funds more flexible, secure, and profitable.

Letting Market Set Interest Rates: Two Big Steps

Letting the market set interest rates is the focus of financial reform this year. The first step, according to reports, concerns the nation-wide interbank borrowing market already in operation. The market is now required to disclose on a daily basis the interest rates banks charge one another for borrowing short-term funds in hopes of setting an interbank interest rate based on the supply and demand of market funds. The second step is to put together an interest rate regulating system in which the interest rates charged by the central bank on its loans form the base interest rates and which is

based on the supply and demand of market funds. Next, the central bank would set the maximum interest rate that banks can pay to their depositors and both the maximum and minimum interest rates they can charge their borrowers.

According to Ma Delun, it will take some time before interest rates in China are set by the market primarily because there is no average rate of return in China, what with the profit to investment ratios varying widely from locality to locality and from industry to industry. This being the case, it is impossible for China to deregulate interest rates overnight. Nowadays commercial banks are allowed to determine the range within which interest rates on loans can go up and down based on the official interest rate published by the central bank and in light of the profitability, credit, and ability to repay of the enterprise in question.

Lowering Tariff Rates Will Have Little Impact on Renminbi Exchange Rate

China is scheduled to cut tariffs drastically on 1 April this year, which will be followed by rising imports. Would this cause the renminbi to depreciate? Concerning this matter, Li Fuxiang (2621 4395 4382), deputy director of the State Administration of Exchange Control, has disclosed that three pieces of reform would be introduced this year to better adjust China's international payments: lowering tariff rates, abolishing preferential treatments such as tariff reductions and exemptions, and instituting a bank deposit system for imported materials. These three measures would help balance China's international payments and further improve the supply-demand relations of foreign exchange within China.

The fact of the matter is that changes in exchange rates are not totally and directly related to imports. Rather, they mirror changes in composite economic indicators. After the three measures go into effect, there will be less appreciation pressure on the renminbi, but how much less? In the opinion of the State Administration of Exchange Control, the answer will depend entirely on how various economic indicators will fare this year. Supply has exceeded demand on China's foreign exchange market ever since 1994, and it still holds true today. If this trend continues, tariff cuts will have little effect on the renminbi's exchange rate.

Foreign Trade & Investment

PRC: Beijing Mayor on Cooperation With Foreign Insurance Firms

OW1905051596 Beijing XINHUA in English
0421 GMT 19 May 96

[FBIS Transcribed Text] Beijing, May 19 (XINHUA) — Beijing's cooperation with overseas insurance and financial companies will promote its economic growth and other undertakings, Beijing Mayor Li Qiyang has said.

The mayor made the remark when meeting Peter Spalti, chairman of the Switzerland-based Winterthur Insurance Company, here Saturday [18 May]. He welcomes Swiss insurance companies to develop business in the Chinese capital.

Li said he was optimistic about future cooperation between the two sides and expressed the belief that more foreign insurance firms will enter Chinese market with useful experience for their Chinese counterparts in the coming 15 years.

Spalti said that his company enjoys frequent business exchanges with People's Bank of China and People's Insurance Company of China, hoping that his company will have long-term ties with them.

Set up in 1875, Winterthur Insurance Company, the largest insurance group in Switzerland, has expanded its business to Europe, northern America, and Asia-Pacific Region, with 65 billion US dollars in total assets.

It has opened representative offices in Beijing, Shanghai and Tianjin.

PRC: Li Peng Meets Swiss Insurance Delegation

OW1805074396 Beijing XINHUA in English
0727 GMT 18 May 96

[FBIS Transcribed Text] Beijing, May 18 (XINHUA) — Premier Li Peng said here today that China's insurance industry have bright prospect and great potential with rapid growth of economy and increase in the people's living standards.

During his meeting with Peter Spalti, chairman of the Winterthur Swiss Insurance Group, and his party, Li said that both sectors of social and commercial insurances in China are at their preliminary development stage and need to be further improved.

The People's Insurance Company of China (PICC), the country's largest and a major insurance agency, has conducted business cooperation with many insurance companies in the world, he said, adding that such cooperation will help China's insurance companies to

raise their service standards by adopting conventional international practices.

He expressed the hope that the cooperation between PICC and the Winterthur Group would be further strengthened.

Spalti said that his group would like to help cement its ties with Chinese partners, and help China train its insurance personnel.

The Swiss visitors are here at the invitation of the China International Friendship Association.

The Winterthur Swiss Insurance Group, with total capital of over 65 billion U.S. dollars, is the largest insurance company in Switzerland, and also one of the 10 top comprehensive insurance companies in the world. It has established representative offices in the municipalities of Beijing, Tianjin and Shanghai.

PRC: Zhu Rongji Comments on Sino-Thai Economic Ties

OW1805122996 Beijing XINHUA in English
1124 GMT 18 May 96

[FBIS Transcribed Text] Bangkok, May 18 (XINHUA) — Visiting Chinese Vice Premier Zhu Rongji said here today that he is very optimistic about Sino-Thai economic cooperation in the future.

Zhu said that in recent years trade and investment between China and Thailand have developed rapidly and that the two countries are economically very complementary.

The Chinese vice premier said there has been more cooperation rather than competition between the two countries.

Replying to a question from a Thai journalist at a meeting with representatives of the Thai media today, Zhu, who is on a week-long official visit to Thailand, said the two countries have had a long history of friendship and there have been no disputes between the two nations.

Talking about future Sino-Thai economic cooperation, Zhu cited hydroelectric power generation, thermopower stations, development of the upper reaches of the Mekong River basin, as well as the trans-national railway from Singapore up to China's Kunming.

In the security fields, Zhu said that China supports Thailand in all its efforts to safeguard peace, stability and prosperity in the region in particular and the world at large.

Zhu also appreciated Thailand's "one-China policy," recognizing the People's Republic of China as the only

representative of China and being opposed to "Taiwan independence."

Zhu Rongji said in regional and world affairs, China and Thailand often hold consultations and are in agreement on many issues.

Zhu expressed the conviction that China and Thailand will be friendly to each other from generation to generation.

PRC: Zhu Rongji Briefed on Thai Investment Policy

*OW1805120596 Beijing XINHUA in English
1152 GMT 18 May 96*

[FBIS Transcribed Text] Bangkok, May 18 (XINHUA) — Thailand's Board of Investment (BOI) today arranged a report session on Thailand's investment policy for visiting Chinese Vice Premier Zhu Rongji and his party.

BOI Secretary General Staporn Kavitanon told his Chinese guests that Thailand divided itself into three investment promotion zones, each enjoying different degrees of investment privileges.

Investors in Zone 1, which includes Bangkok, already a crowded and much-polluted metropolis, and five adjacent provinces, get the least privileges, while those in Zone 3, which incorporates 60 remote and least developed provinces, are offered the most favorable treatment among the 76 provinces in the country.

By zoning the country, BOI hopes to encourage investment to inland provinces and give promotional favors for export-oriented factories.

BOI also encourages Thai businesses to invest in foreign countries and solicits foreign investment into Thailand.

When approving projects, BOI also considers their environment- friendliness and their technological level.

BOI is a government agency chaired by the prime minister, which has been involved in promoting investment in the country for over 30 years.

The Chinese vice premier listened to the briefing with great interest.

He said earlier today to Thai reporters that the Chinese government also encourages Chinese business people to make investment in Thailand.

The Chinese vice premier and his party are on a week-long official visit to Thailand, which will conclude on May 22.

PRC: Zhu Rongji Comments on Sino-ASEAN Economic Cooperation

*OW1805115996 Beijing XINHUA in English
1134 GMT 18 May 96*

[FBIS Transcribed Text] Bangkok, May 18 (XINHUA) — Visiting Chinese Vice Premier Zhu Rongji said here today that there is more economic cooperation than competition between China and Southeast Asian nations.

In an interview with representatives of the local media, Zhu said that China and ASEAN nations enjoy good friendly and cooperative ties, which have been developing well.

A considerable portion of China's foreign trade is done with member nations of the Association of Southeast Asian Nations (ASEAN), he said.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

China supported ASEAN's activities for peace, stability and prosperity in the region in the past and will do so in the future, Zhu said.

Asked whether there is competition in the area of trade between China and ASEAN nations, Zhu replied that the competition, if any, is quite limited because of the difference in the industrial structure and the highly complementary economies between China and ASEAN nations.

Their complementarity is greater than competition, he added.

Zhu Rongji said that such limited competition will help China and ASEAN countries to improve their own products and enhance the competitiveness of their products in the world market.

He also indicated that exports of products in the same categories to Western countries from China and ASEAN nations are not too much.

The Chinese vice premier said that there is also no competition between China and ASEAN countries in drawing foreign investment.

China and ASEAN nations all have good investment environments and Western investors are competing among themselves in seizing a bigger share in the Asian market, he said.

He expressed the conviction that economic cooperation between China and ASEAN will continue to develop in the future.

PRC: Xiamen Lures \$10 Billion in Foreign Investment

OW2105034296 Beijing XINHUA in English
0138 GMT 21 May 96

[FBIS Transcribed Text] Xiamen, May 21 (XINHUA) — Statistics show that foreign investment in this coastal city in southeast China's Fujian Province had surpassed 10 billion US dollars by the end of last month.

In the meantime, the number of foreign-funded enterprises in operation has topped 2,500.

After years of success in luring foreign investment, the city now is working to simplify the rectifying procedures for foreign-funded ventures.

Foreign investors are encouraged to invest in the city's four economic pillars — the power, electronics, chemical and machinery- building industries.

The city will also announce regularly the industrial projects that foreign investors are encouraged to get involved in.

The foreign-funded enterprises will also be granted favorable policies in material supply and land use.

Agriculture

PRC: Vice Premier Li Lanqing Urges Silk Industry Reforms

OW1705134596 Beijing XINHUA in English
1335 GMT 17 May 96

[FBIS Transcribed Text] Beijing, May 17 (XINHUA) — Chinese Vice-Premier Li Lanqing said at a national conference on silk here today that the domestic silk industry should be integrated, instead of several parts belonging to different industries.

According to Li, centralized production and all-round structural change is the way to revive the traditional industry, which had a dominant position on global markets for a long time, but was slowed by an outmoded management style over the past several years.

Price wars that frequently erupted during cocoon purchasing time each year resulted in declining quality of cocoons and silk products and a sharp decrease in silk exports in the last two years.

He pointed out that the price wars are not only an indication of shortages of raw material but also the result of contradictions in the interests of China's agriculture, industry, and trade sectors.

He said that reforms could have a tremendous influence on agricultural, industrial, and commercial development, as well as on the thousands of silkworm raisers across

the country, and would help poverty-relief policies of the central government.

Li said that the country will set up silk and cocoon companies to act as a regulator of the local silk industry, and a national corporation for cocoon purchases, silk production, and exports, will be started by local firms on "a voluntary basis."

In order to avoid price fluctuations in the cocoon trade, the government should improve macro-economic controls and establish cocoon reserves at the state- and local-government level.

A large number of small-sized technologically-backward silk mills will be shut down or merged with other companies this year, to open up bottlenecks in raw material supplies, and technological renovation and quality improvement will be the focus of the industry in its development.

PRC: Guangdong Increases Area for Early Rice

OW1705134196 Beijing XINHUA in English
1145 GMT 17 May 96

[FBIS Transcribed Text] Guangzhou, May 17 (XINHUA) — Guangdong Province, a leading grain producer in south China, has planted early ripening grain crops on almost 1.5 million hectares of land this spring, 34,000 ha more than last year's area, a provincial agricultural official announced today in Guangzhou.

The utilization rate of hybrid rice varieties, and the areas for breeding rice seedlings under plastic film coverings, have increased by 40 percent respectively, reported local officials.

Of the total area available, early rice was sown on 1.3 million hectares, a rise of 4,000 ha over last year.

Governments at all levels have increased investment to improve low-yielding fields, build grain bases and support spring sowing.

PRC: Technology Improves Chemical Fertilizer Industry

OW2005124196 Beijing XINHUA in English
0725 GMT 20 May 96

[FBIS Transcribed Text] Nanjing, May 19 (XINHUA) — Technological advances have helped improve China's 800 small nitrogenous fertilizer plants, which produced a total of 52 million tons of nitrogenous fertilizer last year, or 59 percent of the nation's total, and made some 1.7 billion yuan in profits, 9.2 times the 1994 figure.

More than 400 small plants have applied new technologies since 1990, which has helped them save 2.6 million

tons of coal, increased their output by 600,000 tons of synthetic ammonia and added 600 million yuan-worth of economic returns annually.

Last year, the output of 27 urea production facilities increased by 540,000 tons, at a low cost.

During the 1996-2000 period the country will further lift fertilizer production, restructure the varieties of nitrogenous fertilizer, and try to produce 8 million tons of urea per year.

PRC: Institutes Win Bids for Major Farm Research Projects

*OW2005112996 Beijing XINHUA in English
0825 GMT 20 May 96*

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — Twenty-three agricultural institutes have won China's first public bidding for 16 farming technology research projects to help boost food output in the 21st century. The work will involve the growing of rice, wheat, corn, soybean and cotton.

The projects constitute part of the country's main measures designed to produce more food for its population of 1.2 billion, and still growing.

According to the State Science and Technology Commission (SSTC), the research projects will enable the project areas, or five major grain-producing Henan, Hunan, Heilongjiang and Jilin provinces and Xinjiang Uygur Autonomous Region, to increase their annual grain output by 10 billion kilograms by the year 2000 over current output.

The five provincial regions are also expected to increase their annual cotton output by a total of 620,000 tons and soybeans by 1.6 billion kg.

The 23 institutes were chosen by experts from among 77 research institutes who bid for the programs.

Agricultural research institutes under the central government account for 60 percent of bid winners, including

the institutes under the Chinese Academy of Agricultural Sciences, China Agricultural University, Chinese Academy of Sciences (CAS), the State Hybrid Rice Engineering Center headed by Yuan Longping, the father of hybrid rice.

Provincial and local agricultural institutes and agricultural universities amount to about 35 percent and 4 percent of bid winners, respectively.

The research projects, listed by SSTC as some of the country's major research projects during the remaining years of this century, focus on improved varieties of rice, wheat, corn, soybean and cotton, better pest and insect control, fertilizer application and growing technology.

SSTC, together with the Ministry of Agriculture, the Ministry of Water Conservancy, CAS and other departments, signed agreements last year with the five provinces and region on joint research and development of the farming techniques.

According to the agreements, the five areas are obliged to set up 667 hectares of rice and cotton demonstration farmland with the per-unit yield reaching, by the 21st century, the highest levels of other parts of the world that have similar biological conditions.

The areas are also have to set up nearly 6,700 ha of experimental farmland, 67,000 ha of demonstration farmland and apply advanced farming technology to nearly 667,000 ha of farmland.

Techniques concerning rice, corn and soybean each number four out of the 17 research projects. Techniques devoted to wheat number three, while there will be two cotton producing projects.

No research institute won bidding for one of the 17 projects, a program on soybean growing techniques, SSTC officials said.

East Region

PRC: Deng Doctrines New Subject at Shanghai Universities

OW2005020996 Beijing ZHONGGUO XINWEN SHE
in English 0112 GMT 20 May 96

[FBIS Transcribed Text] 17 May (CNS) — With effect from the next semester in September, the subject "The Doctrines of Deng Xiaoping" will be made a permanent module at all tertiary institutions, completely phasing out the module "Development of Socialism in China".

For the launch of a new subject, a well-designed syllabus and suitably qualified tutors are both very necessary. In this connection, as commissioned by the Education Department of Shanghai, a set of relevant teaching materials - the first of its kind in the country - has been published by an ad hoc panel of academics.

One may be interested to note that at present, Deng's doctrines are taught at 34 of the 45 local tertiary institutions as an elective and are very popular among the undergraduates.

In particular, special institutes to study Deng's doctrines have been set up at the Fudan University, Shanghai University and the Shanghai College of Education: academic seminars are organised from time to time.

According to an April questionnaire, of 2,500 local undergraduates, 95 per cent report they have read "The Essays of Deng Xiaoping" and 93.5 per cent think that his thoughts play an influential role in promoting a modern, healthy Chinese society.

PRC: Anhui CPPCC Standing Committee Meeting Opens 7 May

OW1905094896 Hefei Anhui People's Radio Network
in Mandarin 1100 GMT 8 May 96

[From the "Provincial Hookup" program]

[FBIS Translated Text] The 17th meeting of the Chinese People's Political Consultative Conference [CPPCC] Anhui Provincial Committee Standing Committee opened in Hefei 7 May.

The main items on the meeting agenda are: 1) transmitting and studying the guidelines of the Fourth Sessions of the Eighth National People's Congress and the Eighth CPPCC National Committee; 2) inviting officials in charge of the provincial science and technology commission, the provincial agricultural economic office, the provincial economic and trade commission, and the provincial foreign trade and economic cooperation commission to give briefings on views on implementing the outline of Anhui's ninth five-Year plan and long-term target for the year; and 3) discussing and deciding on the

CPPCC provincial committee's organizational reshuffle and personnel appointments and removals.

Lu Rongjing, secretary of the provincial party committee and chairman of the CPPCC provincial committee, presided over and spoke at the opening session. (Shi Weiguo), chairman of the provincial science and technology commission; (Wang Lizhu), director of the provincial agricultural economic office; (Lin Yuanhe), chairman of the provincial economic and trade commission; and (Wang Puqing), vice chairman of the provincial foreign trade and economic cooperation commission, briefed the meeting on their respective departments' progress in and views on implementing the outline.

The meeting's participants will hold group and general discussions on the items on the agenda.

Vice chairmen Long Nian, Wang Sheyun, Qian Jingren, Yue Shucang, Li Mingjun, Rong Guanghong, Song Ming, Xu Rongnan, and Wu Dongzhi; and Secretary General (Zhang Zhengbing) of the CPPCC provincial committee attended the meeting and were seated on the rostrum.

Members of the CPPCC National Committee in Anhui, chairmen of the CPPCC committees of cities directly under the provincial government, liaison officers of the CPPCC prefectural committees, chairmen from CPPCC committees from 15 counties and cities, deputy secretaries general of the CPPCC provincial committee, heads of departments, commissions, sections, and offices attended the meeting as observers.

*PRC: Shanghai Promotes New Tariff Policy

96CE0253B Beijing GUOJI SHANGBAO in Chinese
10 Apr 96 p 2

[Report: "Shanghai Customs Actively Promotes the State's New Tariff Policy"]

[FBIS Translated Text] To implement the State Council decision to sharply reduce China's overall import tariffs and reform and adjust our preferential import-tariff policy on 1 April 1996, Shanghai Customs held a promotion and consultation convention on 14 March that was attended by 3,000 enterprise personnel from ministries, commissions, and departments [under the State Council]. Vice Mayor Jiang Yiren [5592 0110 0117] gave the key address at the convention.

He said: The series of preferential tax policies drawn up by China has played a key role in increasing our foreign trade, attracting foreign investment, and introducing advanced technology. But as our reform and opening have intensified steadily and our socialist market economy

has been gradually established, the conflicts of these policy provisions with international practice and the market economy principle of fair competition have grown ever more glaring. In recent years, while the state has inventoried and adjusted some provisions on tax reductions and exemptions for imports, the problem of "high tariff rates, too many reductions and exemptions, and a too small tax base" has remained generally quite glaring. As such a host of tax reductions and exemptions has created unfair competition among regions and enterprises, being adverse to the conversion of state enterprise operating forces and coordinated regional economic development, we have had to speed up the reform and adjustment of our import tariff policy, further lowering our overall import tariffs, eliminating the excessive and unequal import tax exemption and reduction provisions, and acting in line with the needs of our socialist market economy and international practice to establish a uniform, standardized, fair, and rational import tariff policy. This gives us a more open stance in participating in international competition and international economic cooperation, and to promote the development of our national economy. So the State Council decided to sharply reduce China's overall import tariffs and reform and adjust our preferential import tax policy on 1 April 1996.

Shanghai Customs Director Cao Hengli [2580 1854 4409] noted: We need to conscientiously implement the state's macroeconomic regulation and control policy, ensuring the completion of all tasks entrusted to us by the state, to honestly perform our customs functions. We need to focus well in 1996 on the following five tasks: 1. We need to guarantee the completion of the 1996 tax duties entrusted to us by the state, conscientiously ensuring a smooth transition for the tax policy adjustment; 2. We need to ensure the smooth implementation of the system of bank security deposit accounts for manufacturing trade; 3. We need to do a conscientious job of coordinating our import tax rebate work; 4. We need to carry out well other pertinent macroeconomic management policies; 5. We need to adapt to changing circumstances by further intensifying our antismuggling and inspection work. We also need to strive to improve the quality of our customs service, coordinating our work well to improve Shanghai's investment climate and promote better port trade efficiency as well as continue to actively participate in and support Shanghai's economic construction, opening up to the outside world, and development and opening of Pudong, in support of foreign trade export earnings.

***PRC: Shanghai Implements New Regulations on Religion**

96CM0259A Shanghai JIEFANG RIBAO in Chinese
1 Mar 96 p 3

[Interview with Wang Hongkui, member of the Shanghai Municipal People's Congress Standing Committee, by staff reporter Chen Xiui; place and date not given: "Administer Religious Affairs According to the Law"]

[FBIS Translated Text] Starting today, the "Regulations on Religious Affairs in Shanghai Municipality" will come into force. As the first set of comprehensive local regulations with regard to religion enacted in Shanghai, what are the outstanding features and principal contents of the abovesaid regulations? This reporter interviewed Wang Hongkui, member of the Shanghai Municipal People's Congress Standing Committee, a few days ago.

According to Wang's briefing, approximately 5 percent of Shanghai citizens profess faith in religion. The Constitution of the People's Republic of China definitely stipulates that "the PRC citizens have freedom of religious belief." Therefore, every citizen has the freedom of professing or not professing a religion, and the said regulations give protection to those who are religious as well as those who are not. The religious affairs that the regulations aim to administer are various social public affairs between religion and the state, society, and the masses, rather than the internal affairs of the religion itself. There are four major contents in the said regulations: First, the relations between citizens who get a religion and those who do not are defined. For instance, these two groups of citizens must respect each other, and no organization or individual are allowed to make propaganda or get into an argument among those having different religions or beliefs in any venues of religious activities, nor are they allowed to preach or do missionary work outside these venues. The nonreligious units are not permitted to build monasteries or churches, install religious facilities, and hold religious activities. Second, the activities of religious entities are standardized, thereby religious groups at municipal level have the authority to confirm the identity of religious personnel, organize cultural and academic study and exchange in respect of religion, and legally publish religious books and periodicals as well as religious audiovisual products. Religious activities can be conducted in the approved registered venues and on the occasions that prior approval has been granted by relevant department in charge of religious affairs. In these venues, wedding ceremonies of a religious character can be held for the religious citizens who have their marriage registered, donations can be accepted, and religious arts and crafts, articles for use, and the like can be sold.

Third, the government's administrative behaviors are standardized, thereby it is prescribed that the municipal department in charge of the religious affairs is the administrative competent department responsible for the religious affairs in Shanghai, and pertinent departments under governments at all levels are called for to do their duties according to the law. For example, the municipal planning bureau should include the venues of religious activities and religious buildings, which are to be particularly protected, in the scope of protection and in the area of construction control in its urban development plan. As regards ordinary religious venues, if they must really be demolished or moved because of the necessity of municipal construction, pertinent departments should rebuild or give necessary compensation to them according to the original building area. In addition, the residence registration of students from Shanghai or other places who are admitted to enter religious colleges or universities in Shanghai can be filed with the schools where they are enrolled. The above regulations also, for the first time, specifically stipulate the legal obligations for those who infringe on citizens' right and freedom of religious belief and on the legitimate rights and interests of religious groups and venues, and for the conduct of those who take advantage of religion and religious activities to carry on illegal activities.

PRC: Zhejiang Development of Marine Economy Outlined

OW2005131396 Beijing XINHUA in English
0712 GMT 20 May 96

[FBIS Transcribed Text] Hangzhou, May 20 (XINHUA) — The coastal province of Zhejiang in east China is building a marine economy consisting of ocean shipping, fishery, industry, trade and tourism.

The province has a sea area of 424,000 sq km, and a 6,500-km-long coast line, the longest of any Chinese provinces. Zhejiang also has over 3,000 sea islands each with over 500 sq m, accounting for one third of China's total.

With 166 km of its coast line suitable for the construction of deep water berths, Zhejiang has built 58 sea ports with 671 berths, with over 30 deep water berths.

Ningbo Port, the biggest in the province, is heading for its goal of becoming an international cargo container trans-shipping center in a supporting role for an international shipping center to be established in Shanghai.

More than ten cargo container regular shipping routes have been opened between Zhejiang and eastern coastal ports in America, Kobe and Nagasaki in Japan, and Hong Kong.

Backed by well-developed port facilities, a power generation base for east China is taking shape in Zhejiang's coastal areas.

In recent years, large and super large power stations have been built in the area such as those in Zhenhai, Beilun port, Jiaxing and Wenzhou, which help ease power shortage in east China, one of the most developed part in the country.

Qinshan Nuclear Power Station near Jiaxing, China's first to be designed and constructed by its own engineers and workers, started operation in 1991.

Zhejiang has found large reserves of petroleum and natural gas in the continental shelf along its coast. So far three oil and gas fields and four structures have been found, and commercial exploitation of the first Sino-foreign jointly drilled oil well will soon start.

Having China's biggest fishery in Zhoushan, Zhejiang has seen the establishment of more than 100 biochemical, food and medicine plants focusing on processing of marine products.

The province is also developing marine tourism, featuring its beautiful islands.

Northeast Region

PRC: Large Enterprises Boost Development of Northeast

OW1205083396 Beijing XINHUA in English
0714 GMT 12 May 96

[FBIS Transcribed Text] Changchun, May 12 (XINHUA) — Large enterprises have played a key role in the industrial development in the three provinces of northeast China in the first quarter of this year.

In the January-March period, the industrial value-added output of Jilin, Liaoning and Heilongjiang, all major industrial bases in China, reached 118 billion yuan, rising by 11 percent over the same period of last year.

A group of large state-owned enterprises witnessed rapid growth rates in the period. The No.1 auto-making company group in Changchun, for example, achieved an output of 4.5 billion yuan, an increase of 32.2 percent over the same period last year.

Those backbone companies also obtained good economic efficiency. A survey of 77 key state-owned enterprises in Liaoning Province show that roughly half saw a sale-production ratio of more than 95 percent in the period.

Local officials attributed the achievements to a faster pace of technological upgrading, which allowed the old

industrial bases to produce a batch of new and high-quality products, thus propelling an overall growth of the industrial sectors.

In Heilongjiang Province, for example, the newly-added output based on technological upgrading reached 1.7 billion yuan, accounting for 7.2 percent in the output increase of the province.

***PRC: Study Rates Heilongjiang's Investment Environment**

96CE0191A Harbin FENDOU [STRUGGLE]
in Chinese Feb 96 No 2, pp 29-30

[Article by Heilongjiang's Provincial Government Economic Research Center's Investment Environment Research Group: "An Analysis and Assessment of Heilongjiang's Investment Environment"]

[FBIS Translated Text]

I. Heilongjiang's Foreign Capital Utilization

Since reform and opening up, Heilongjiang's efforts to recruit business and bring in capital have produced results. Cumulatively, at the end of 1994, the province has approved 3,882 projects funded by direct foreign capital, at contracted foreign investment value of \$2.784 billion and actual capital utilization of \$800 million, putting the actual capital contribution rate on both the Chinese and foreign sides at 43 percent; the contracted startup rate for the three kinds of wholly or partially foreign-owned enterprises was 41 percent.

1. The sources of foreign capital are fairly concentrated, but are expanding.

Hong Kong ranks first among foreign investors in Heilongjiang, with contracted investment of \$1.28 billion, accounting for 45 percent of the province's total foreign capital utilization. Ranking second is Taiwan, with contracted investment of \$220 million, accounting for 7.9 percent. The United States ranks third, with \$174 million in contracted investment, accounting for 6.2 percent. Ranking fourth and fifth are Korea and Japan, each accounting for 5.6 percent and 4.3 percent respectively. These top five countries and regions account for 70 percent of all investments in the area. But in recent years, the sources of foreign capital have begun to diversify. Currently, businessmen from Singapore, Australia, Thailand, Russia, Canada, Germany, Britain, France, and Italy are negotiating to set up plants in Heilongjiang.

2. Foreign investments are moving in the right direction.

Among the foreign investments in Heilongjiang, 70 percent are concentrated in production, with light industry accounting for 19.8 percent; textile, 10.2 percent; food-

stuff, 9.9 percent; electronics, 7.2 percent; chemical engineering, 5.7 percent; machinery, 4.9 percent; construction materials, 2.7 percent; agriculture 1.5 percent; and other industries account for 8 percent. In addition, energy, transportation, communications, and other infrastructure and tertiary industry projects are being developed; township enterprises and high-tech and new-tech industrial projects utilizing foreign capital are also being started.

3. The foreign investments are concentrated in large and mid-sized cities.

Up to the end of 1994, Harbin (including the part under the province's administration) has approved 2,473 projects, at contracted foreign investment value of \$1.57 billion, accounting for 56 percent of the province's total foreign capital utilization. Daqing City has approved 182 projects, with contracted foreign investment value of \$133 million. Mudanjiang City had 247 projects worth \$112 million; Qiqihar had 243 projects worth \$112 million; Jiamusi City had 140 projects worth \$97 million. The above five cities' foreign capital utilization already accounted for more than 72 percent of the entire province.

4. The investment scope per single project is expanding.

According to relevant department statistics, Heilongjiang's average foreign capital utilization per project has increased from \$680,000 to \$960,000. Of the new projects approved since 1993, 80 are worth more than \$5 million; more specifically, 57 projects are worth between \$5 and \$10 million, and 23 are worth more than \$10 million. This change proves that Heilongjiang's foreign-funded enterprises are attaining a greater degree of economies of scale.

5. There are definite economic and social benefits.

After many years of relentless efforts, Heilongjiang has successfully created a group of wholly or partially foreign-owned enterprises of the three kinds that are export-oriented and earn foreign exchange and are highly profitable. In 1994, those enterprises' exports were worth \$200 million, and they imported goods worth \$160 million, with total import-export value of \$360 million. They produced 4 billion yuan's worth of goods, generated 420 million yuan in profit tax, and employed a total of 280,000 workers. Clearly, the foreign-funded economy, as the province's new economic growth point, is playing a bigger role in Heilongjiang.

But, compared with the country's advanced provinces, Heilongjiang still lags behind in attracting and utilizing foreign capital. In particular, the province's foreign capital utilization is limited and tends to fluctuate. At the

end of 1994, the country approved a total of 2,211,718 foreign-invested projects, with actual foreign capital utilization of \$100.070 billion, but Heilongjiang's share came to 3,882 projects, with \$800 million in actual capital utilization, accounting for 1.6 percent and 0.8 percent respectively. In 1994, the state went all out to restructure the tax system and amended the preferential policies toward the three kinds of wholly or partially foreign-owned enterprises accordingly. Affected by that change, the nation's foreign capital utilization projects and contracted foreign investments fell 44 percent and 31.5 percent, respectively, compared to the previous year, and in Heilongjiang, they fell by 56 percent and 47 percent, respectively, at rates far exceeding the national average.

Profits generated by the three kinds of wholly or partially foreign-owned enterprises also fell short of expectation. Currently, among foreign-funded enterprises already in production in Heilongjiang, more than 60 percent are incurring losses (some of these enterprises are shifting their profits elsewhere to evade taxes and are faking losses); some have even stopped production and are shutting down. Obviously, Heilongjiang is at a substandard, elementary stage of development when it comes to attracting and utilizing foreign capital.

No doubt, this situation is attributable to the province's investment environment.

II. A Comparative Study of Heilongjiang's Investment Environment

It is a very sticky problem to try to accurately assess the investment environment. While we fully considered the fairly authoritative methods being used abroad, we also looked at China's current statistical system and investment environment as a whole, and we adopted the statistical method of analyzing the major components. That is, we classified the many factors that affected an area's investment environment into several composite factors that retained information on the original factors, and thereupon, we compared and ranked the different provinces nationwide.

First, when we decided on the set of indexes, we tried as much as possible to meet the requirements of extensive coverage, ease of quantification, ease of data collection, and standardization of statistical calibration. At the same time, we also considered the nondisparity, substitutability, and objective nature of the indexes, and finally decided on 29 indexes for the evaluation. Second, taking into consideration the meaning of each index in economics context, we separated the 29 indexes into five categories: One, the economic factors. They include GDP, the tertiary industry's output value, the per capita GDP, society's

fixed asset investments, basic construction investments, balance of bank loans at year-end, balance of citizens' deposits in town and country, the cargo transport volume, railroad density, highway density, the post and telecommunications volume, annual power generation, retail sales of social goods, foreign import and export volumes, actual foreign capital utilization, capital gains tax, realized profit tax per 100 yuan original fixed asset value, and natural resources, which are factors that reflect an area's economic base, economic scope, and overall level of development. Two, the labor force factors. They include number of workers employed, number employed in the tertiary industry, the labor resource utilization rate, the per capita wage, the entire labor force's productivity rate, the number of full-time high-school students per 10,000 people, the number of technical personnel per 10,000 workers in the adult higher education institutions, and full-time students in colleges for adults, which are factors reflecting the size, price, and quality of the labor force in a region. Three, a category generally known as the inflation factors, including the retail price index, which reflect currency stability in a given region. Four and five are the policy factor and geographic factor. They reflect an area's autonomy and preferential policies and its geographic location and whether they meet the investors' demands.

We used the above indexes to make our calculation and rank the nation's 30 provinces, municipalities, and autonomous regions' investment environments, and in order of the number of points each scored, Guangdong, Shanghai, Beijing, Jiangsu, and Shandong were ranked the top five. Beijing, the capital, has special advantages as the nation's political, economic, and cultural center and has the best infrastructure and unsurpassed technological strength. The other four provinces are coastal open regions and have enjoyed many preferential policies since reform and opening up. Adding other good conditions, they are very attractive to foreign investors. Heilongjiang ranked around number 20 and was considered a moderate-to-poor region.

In comparing the results of this exercise with the reality of these 30 provinces, municipalities, and autonomous regions in terms of their actual foreign capital utilization since 1988, it appears that except in a handful of cases where there are significant differences in placement, the two sets of rankings are similar. Heilongjiang's actual foreign capital utilization ranks 18th in the nation, which also puts it in a moderate-to-low-ranking category.

III. An Evaluation of Heilongjiang's Investment Environment

As mentioned before, after deciding on the set of indexes, we separated the 29 indexes into economic, la-

bor force, inflation, geographic, and political factors. If we add up the points given for each category of factors, it will reflect the internal structure of that region's investment environment and its advantages. Meanwhile, if we look at the points each factor category contributes to the total score, the points scored by the economic factors category seem to be the determining factor in a region's investment environment. In our model, Heilongjiang's economic factors ranked 18th nationwide; most of the indexes scored in the mid-range. This coincides with the province's actual development over the years. In particular, in recent years, Heilongjiang's overall economy has moved along at a slow pace. Although its GDP in 1994 was 8.7 percent higher than in the previous year, reaching its highest rate in the recent decade, it still was 3.1 percentage points below the national average. This lag in economic growth could not but have a negative impact on the province's investment environment. In our model, Heilongjiang's resource index ranked quite high nationally, but constrained by long periods under the planned economic system, the province lacked power to govern its main staple resources, which weakened the index's ability to raise the scores of the other indexes in its category. Heilongjiang's infrastructure index scored low; its railroad density ranked 12th nationwide; its post and telecommunications services ranked 13th; its cargo transport volume ranked 15th, and highway density ranked 25th. The first three indexes were in the mid-range, but compared to the advanced provinces, it fell far short in volumes. In particular, Guangdong Province's cargo transport volume was almost three times, and the volume of post and telecommunications services was more than seven times, that of Heilongjiang. If we look at the quantitative indexes not included in our model, the disparity is even more worrisome. For example, Heilongjiang's railway system's multiple track rate is 27.3 percent and automatic shut-off rate is 2 percent; its highways are of low grade — only 3.2 percent are secondary highways or better, and traffic along the main thoroughfares has already exceeded designed capacity; its inland river passages and ports are still in their natural state, its boats and ships are old, and its loading and unloading facilities are obsolete; its civilian airport is substandard; air-traffic control facilities are inadequate; only a small percentage of the households have telephones. Thus, its backward infrastructure has become an important constraining factor in attracting foreign businesses and bringing in foreign investments.

In our model, Heilongjiang out-scored only Xinjiang, Inner Mongolia, and Hainan in the labor force factors category, ranking 27 in the nation and is considered absolutely backward. If we look at the indexes that make up the labor force factors, Heilongjiang still has some

advantages in terms of the quantity and price of its labor force.

In 1993, the province's labor resource utilization rate was 40.99 percent, ranking second to the last place in the country, while almost half of the provinces in the country had labor resource utilization rate of more than 50 percent, which meant the province still had much potential in terms of the size of its labor force. From the point of labor price, in 1993, the province's per capita wage was 2,661 yuan, lower than the national average and ranking third from the bottom, which reflects some advantage in terms of labor price. But within the labor factor, it did poorly on the index representing labor quality. On the index representing the number of technical personnel for every 10,000 workers employed in the state-owned enterprises in 1993, it out-scored only Hainan, putting Heilongjiang in second to last place in the country; its labor productivity rate ranked 25th in the nation.

This situation inevitably did serious damage to whatever advantage the province had in terms of its labor force's size and price.

In our model, Heilongjiang's geographic factor scored the same number of points as Shanxi, Jilin, Hunan, and four other provinces, placing it 16th along with the others. For the single geographic factor, it fell into a lowly third class. Heilongjiang's political factor scored the same number of points as Sichuan, Henan, Hunan, and 10 other provinces, placing it 13th along with the others; behind them were Xinjiang, Ningxia, Qinghai, and Tibet. Although Heilongjiang shares a 3,045 km-long border with Russia and has many ports, and it has two state-class frontier open cities and enjoys substantial preferential treatment, regrettably, such frontier advantages and related policy advantages did little to help raise the scores in the other factor categories. Points scored by the inflation factor placed the province 11th in the nation, its best among the five factors. But because this factor was relatively insignificant, it had limited impact and could not change Heilongjiang's overall score for its investment environment.

PRC: Heilongjiang Acts To Revamp State-Owned Enterprises

*OW0905124496 Beijing XINHUA in English
0858 GMT 9 May 96*

[FBIS Transcribed Text] Harbin, May 9 (XINHUA) — Northeast China's Heilongjiang Province, one of China's major industrial bases, recently worked out a series of measures to improve efficiency and economic returns of the province's companies.

There are 550 large and medium-sized state-owned enterprises here that were built in the 1950s and 1960s. Many of these enterprises have been facing the shortage of funds for renovation of their equipment and lagging behind in management.

Statistics show that, over the past several years, losses incurred by these companies was as high as three to four billion yuan.

To remedy this, the local government developed a plan to accelerate the pace of establishing enterprise groups, merge enterprises, and give more freedom to small businesses.

According to the plan, the province will build some ten large enterprise groups, each with an annual output value of at least three billion.

A local official said that the major step in reforming money-losing companies is mergers, and that the local government will encourage this action through various measures.

The local government is also considering measures to ease the debt burden of many companies, the official said, noting that the equity-debt ratio of most state-owned companies in the province is more than 80 percent at present.

PRC: Technology Trading Center Completed in Jilin

OW1105150796 Beijing XINHUA in English
1420 GMT 11 May 96

[FBIS Transcribed Text] Changchun, May 11 (XINHUA) — A marketplace designed to trade in high-tech products, information, achievements and patents has been built in Changchun, the capital city of Jilin Province in northeast China.

Over 100 enterprises have already set up offices in the 18,000-square-meter market, located in the city's Euro-Asia Commercial Center.

The enterprises are mainly involved in computers, meters, electronic instruments, and office-automation equipment. Among them are agents for several leading national companies such as Legend.

Expansion of the market is still under way, with the aim of building the market into one of the largest of its kind in the country, sources said.

PRC: Liaoning Governor Inspects Anshan City
SK2105101596 Shenyang LIAONING RIBAO
in Chinese 2 May 96 p 1

[By reporter Xu Shaoda (1776 1421 6671)]

[FBIS Translated Text] Governor Wen Shizhen and Vice Governor Guo Tingbiao went to Anshan city to inspect work on 27 and 28 April. Wen Shizhen emphasized during the inspection that a new pattern featuring large-scale division and large-scale reorganization had emerged in Liaoning's industrial enterprises, and that good enterprises had secured better positions during the competition while the poor ones had found it more difficult to operate. He urged all the enterprises in the province to have a full understanding of the impact of market changes on economic development, rely on their own efforts by tapping their own potential, expand their strength rapidly to comply with the requirement for "two changes," and strive to gain the initiative in development during the large-scale division and large-scale reorganization so as to score new achievements.

During the inspection of Anshan, Wen Shizhen and Liu Qi, minister of metallurgical industry, attended a foundation stone laying ceremony for the No. 2 plate continuous casting project of the Anshan Iron and Steel Complex, heard work reports by the Anshan Iron and Steel Complex and the Anshan city party committee and government, saluted public security cadres and policemen who were carrying out the "crackdown" on crimes, and visited the Anshan city glass plant, the Anshan Hecheng (Group) Company Limited, and the Anshan No. 1 Engineering Machinery Group.

Wen Shizhen said during the inspection: Over the past year, the large number of cadres and workers of the Anshan Iron and Steel Complex have changed their concepts, relied on their own efforts by tapping their own potential, deepened the enterprise reform, transformed the operating mechanism, and strived to open up markets, thus creating a steady upturn in production and business. Judging from the situation in the first four months of this year, the Anshan Iron and Steel Complex fulfilled all the major economic and technological targets, winning the first battle and making a good start for the Ninth Five-Year Plan. Comrade Gu Jinchi and I feel satisfied with the work of the Anshan Iron and Steel Complex. The Anshan Iron and Steel Complex represents the image and an epitome of the old industrial base of Liaoning, and its changes over the past year will also greatly encourage the people across the province to enhance confidence in successfully carrying out the technical transformation of the old industrial base.

Wen Shizhen pointed out: A notable characteristic has emerged in Liaoning's economic development since the second half of last year. Bombarded, tempered, and tested by the market economy in the past two to three years, some enterprises have risen amid difficulties and begun to develop in a favorable direction. Some enterprises, like the Anshan Iron and Steel Complex and some petrochemical enterprises, have begun to gradually bring their concepts, mechanisms, and management in line with the market economy, and have thus created a good trend in enterprise management. However, we also have some enterprises which have gone from bad to worse and found every step difficult because their transformation of the mechanism was slow, product mix irrational, scale small, level low, and efficiency poor, which failed them in the challenge of the market economy. This is an unavoidable situation in the current development of the market economy. Wen Shizhen urged the Anshan Iron and Steel Complex and other enterprises which have complied with the market economy and done a better job to set an example in the new situation of large-scale division and large-scale reorganization, to blaze their own roads, and then to lead the development of backward enterprises.

After thoroughly analyzing the current difficulties, problems, and tremendous potential of the Anshan Iron and Steel Complex, Wen Shizhen urged the Anshan Iron and Steel Complex to further change their concepts and increase the efforts in work to make this year's economic indexes the highest ever achieved. At present, we should do a better job in adjusting the product mix to comply with market demand, strive to open up markets, make greater efforts to repay debts, and tap the potential of funds to enliven business. He said sincerely: To resolve their difficulties in management, enterprises will not succeed by demanding the external environment to conform to their own. They should focus their attention on their internal management, study ways to adapt themselves to the environment and to gain the initiative in development, and exert efforts to make the external environment and conditions usable to them. The Anshan Iron and Steel Complex should broaden its field of thinking and expand the room for development. In particular, it should persistently use its reserves to attract increment, that is, making the best of its advantage of having a large amount of reserves and higher credit standing to seek foreign investment. It should use mid- and long-term overseas loans, develop joint ventures or cooperation directly with foreign firms on some selected projects, and borrow money directly by establishing companies abroad. Meanwhile, it should deepen reform, learn from Handan Iron and Steel Company's experience in strengthening management, invigorate the major lines of business, relax control over the auxiliary

lines, and adopt the system of multilevel legal persons in order to enter the market more quickly.

During the inspection in Anshan, Wen Shizhen held that judging from the overall situation, Anshan city enjoyed political and social stability and maintained a good trend of sound development in the economy. He also pointed out: When the rapid growth rate of the Anshan Iron and Steel Complex is excluded, Anshan city's local industries actually registered a decline in economic performance and could merely maintain the same level in growth rate. Some enterprises' contradictions in systems and structures have been exposed even more in the transition to the market economy. We should remain clear-headed to understand this. He urged: Anshan city should further accelerate the two fundamental changes and ensure a notable turn for the better in the changes in the economic system and the economic growth mode this year. Proceeding from its specific conditions, Anshan should make the best of the state's policies granted to the pilot cities for optimizing the capital structure; do a good job in the realignment and multiplication of assets, in debt reduction, in enterprise bankruptcy, and in moving redundant workers to other sectors; and optimize the alignment of enterprise assets in order to promote economic development.

Wen Shizhen emphasized: In economic development, the relationship between immediate and long-term interests should be handled well, and both stopgap and radical measures should be adopted to expedite the structural adjustment. While conducting adjustment to suit market demand, Anshan city should also conduct adjustment of strategies, attach more importance to the increase of the capacity for sustained development, and adopt some measures to effect permanent solutions. It should correctly handle the relationship between local economic development and the development of the Anshan Iron and Steel Complex. This is a crucial issue concerning the enhancement of Anshan city's local overall economic strength. Anshan city should provide full support to the technical transformation and reform of the Anshan Iron and Steel Complex and use the development of the iron and steel complex to lead the development of the local economy. It should seize the opportunity to open wider to the outside world, bring in foreign capital, use its reserves to attract increment, exchange its markets for technology, and nurture a number of high-level economic growth points. It should actively organize professional personnel to promote foreign investment, conduct brave exploration on new ways to use foreign capital, and make good use of foreign government loans, export credit, and commercial loans to accelerate the technical transformation of enterprises. It should always take human resources as the foundation

and step up efforts to improve the contingents. Cadres at all levels should have a strong political sense, uplift spirit, bear hardships, and work in a down-to-earth manner to achieve substantial results and notable improvement in all aspects of work.

Mu Suixin, assistant to the governor, and Xu De, secretary general of the provincial government, accompanied Governor Wen Shizhen during the inspection in Anshan.

PRC: Liaoning Develops 6 Projects To Promote Education

OW1605111696 Beijing XINHUA in English
0858 GMT 16 May 96

[FBIS Transcribed Text] Shenyang, May 16 (XINHUA)

— Northeast China's Liaoning Province has worked out six educational promotion projects to be implemented during the country's Ninth Five-Year Plan (1996-2000).

The projects are as follows:

— To further develop the education system in 100 senior middle schools, 200 junior middle schools and 300 primary schools in the province.

— To set up 200 key vocational schools and add a series of professional training programs.

— To basically eliminate illiteracy among local adults aged under 45, and to have at least half of the employees attend training classes of various kinds.

— To select 100 young and middle-aged talented people to play leading roles in teaching and research, and to train 1,100 young people to play important roles in scientific and technological fields.

— To get 3,700 scientific achievements and research projects transferred to production.

— To establish the "21st Century Talent Development and Education Foundation" and further develop educational co-operation programs with foreign countries.

Taiwan: Li Teng-hui Holds Interview
 OW2005121296 Tokyo ASAHI SHIMBUN
 in Japanese 17 May 96 Morning Edition p 2

[Article by Yoichi Funabashi, director of ASAHI SHIMBUN's U.S. General Bureau, who is currently visiting Taipei, entitled: "The Look of a 'Philosopher-Statesman' — Interview With President Li Teng-hui"]

[FBIS Translated Text] It is hardly possible to believe that he is the same person with a tanned skin who was going from place to place campaigning in a sweater with a baseball cap on his head until quite recently. Today, he has the look of an upright professor.

"What does one China mean?"

"What does Taiwan signify?"

He said the issue cannot be settled without holding talks with Chinese leaders on such fundamental problems. He is not trying to approach the issue from the standpoint of legal or political concepts or temporary expedients [benho] regarding "sovereignty" or "one-nation two-systems." On the contrary, he is trying to approach it from a very enlightened standpoint concerning such concepts as what will China's world of the future be like, and how can China and Taiwan harmonize in this future world. Moreover, with regard to the "federation system" of the future China, he indicated interest and said: "It is an interesting idea."

While he was talking about these ideas, he gave the appearance of a philosopher-statesman.

The president's inauguration ceremony scheduled for 20 May is a function that will indicate Taiwan has finally climbed up the dangerous stairs of the transition period from autocracy to democracy. Is it not said that the most dangerous time for autocracy is the time when ice begins to melt — in other words, when reform starts? In the past decade, Mr. Li Teng-hui has overcome trials in this transition period. Different from Deng Xiaoping's reform that met with an adverse tide in the Tiananmen incident, and also different from Gorbachev's Perestroika that resulted in an outburst of ultrarightist nationalism in Russia, the "Taiwan experience" has brought about not only an "economic miracle" but also a "political miracle." On this point, people have proudly called it the "silent revolution."

Although he is a native-born Taiwanese, he was able to reach the top post of the Kuomintang (KMT) and has succeeded in localizing the KMT. While advocating peaceful reunification with mainland China, he has promoted Taiwan's self-reliance [jiritsu] but at the same time tried to chill the enthusiasm for Taiwan's independence [dokuritsu]. The politics he has pursued

are filled with tensions and contradictions, but he has his own style. Once he said jokingly: "It is because my blood type is Group AB."

In Mr. Li's opinion, that Taiwan has attained democracy "has proved as inappropriate the argument that the Chinese are not cut out for managing a democratic government."

He is critical of this type of argument, maintaining that everything can be decided by culture [bunka-kettei-ron].

In refutation, he says: "Chinese culture is face-oriented culture. People tend to suppress the human nature that naturally comes out of itself. Therefore, what one thinks is different from what one may actually say. In such a society, one may experience various troubles." He believes that Chinese culture can be reincarnated not by indulging in it but by agitating it.

Herein lies a remarkable contrast in ideology between President Li and another outstanding Asian political leader — Singapore's Senior Minister Lee Kuan Yew. While Mr. Li maintains that human rights are universal values of mankind, and that democracy is a political system that is applicable to any society, Mr. Lee attaches importance to the peculiarities of tradition and culture and advocates that in China's case, it will be desirable to promote an authoritarian [kenishugi-teki] political system based on the teachings of Confucianism. Exchanges of a sort of mutual criticism have already started between the two leaders.

Whether to follow the Taiwan-model or the Singapore-model? A great drama involving these two models will probably be launched on the stage of mainland China.

Mr. Samuel Huntington [name as transliterated], an American political scientist, once said: "The freedom and creativity that Mr. Li has brought about in Taiwan will probably survive long after his passing. However, the integrity and efficiency that Mr. Lee has brought about for Singapore will probably end with his death."

Nevertheless, the direction Taiwan takes depends entirely on the politics to be pursued in the future. What dissatisfaction do those Chinese who are non-native Taiwanese have in mind? In promoting true democracy, the minority groups' rights must be respected. Moreover, will it be possible to create a stage for talks with China? If talks should be held between top Chinese and Taiwanese leaders, it would not be easy to build up a relationship of trust among the top leaders.

The major tasks concern how the international environment in East Asia and also in the Asia-Pacific region will develop; and also how the security framework ought to be. It will be extremely difficult for Taiwan

to decide on what measures to take to deal with these tasks.

For example, President Li expressed expectations that the reconfirmation of the Japan-U.S. security arrangements at the recent Japan-U.S. summit talks will contribute to the promotion of stability in Asia, but his remarks were made in a rather suppressed tone. If Taiwan should openly "welcome" the reconfirmation, China would probably deepen its doubts that the primary objective of the reconfirmation lies in "confining China," and that Taiwan has a part in this plot. That must be the reason why Mr. Li has decided it is undesirable to openly welcome the reconfirmation. Without improvement in China-U.S. relations, it will be difficult for Taiwan-U.S. relations to become stabilized. However, if China and the United States should once again improve their relations, the two countries may possibly join in imposing pressure on Taiwan.

I was most impressed with the two Japanese words that Mr. Li used: "the place [basho]" and "the master [aruji]."

Mr. Li touched on the fact that "Taiwan" as "a place" is irreplaceable. He stated: "It is strange that Max Waver [name as transliterated] who has never been to China has succeeded in dealing with China." If an issue cannot be reduced to an ideology, a theory, or a methodology, its identity will most likely reside in "the place."

He stressed that Taiwan's destiny should be decided by "the master of this country." In other words, the doctrine is that "sovereignty rests with the people." It should never be decided by an alien regime [gairai seiken], whether it be the pre-war Japanese, the post-war KMT, or the current mainland China.

One and a quarter hours passed by in the twinkling of an eye. I still had a lot to ask him. For example, it is said that Mr. Li had translated Goethe's "Faust" by himself while he was mayor of Taipei, and I wanted to ask him from which language?

Taiwan: Li Teng-hui Meets Foreign Heads of State
OW2105093196 (Internet) Taiwan Central News
Agency WWW in English 0758 GMT 21 May 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 21 (CNA) — President Li Teng-hui Tuesday (21 May) reaffirmed the ROC government's commitment to implement democracy, safeguard freedom and realize "popular sovereignty."

Li made the statement while meeting separately with Costa Rican President Jose Maria Figueres, Palau President Kuniwo Nakamura, Nicaragua President Vio-

leta Barrios de Chamorro, Bahamas Governor General Orville Alton Turnquest and Dominica President Crispin Sorhaindo.

Li expressed his gratitude for the five top foreign leaders for their traveling all the way to attend his inauguration for a second term as the ROC's first democratically elected president on May 20.

While strenuously developing its economy, Li said, the Republic of China has also scored remarkable achievements in democratic reforms in recent years.

"We are willing to share our developmental and democratic experience with other countries to promote international cooperation and enhance the well-being of mankind," Li said.

He further expressed his appreciation of all the support the five countries have given to the ROC in international organizations and other international occasions.

For their part, the five foreign leaders congratulated Li on his re-election. They also gave thumbs up to Li's inauguration speech, saying it will contribute much to promoting world peace, squelching animosity and boosting mutual understanding.

The foreign leaders said they were moved by Li's strong commitment to uphold freedom and democracy and to promote harmony and peace across the Taiwan Strait.

Costa Rican President Figueres said he was impressed by the openness, stability and prosperity here, stressing that the ROC has provided a good model for other developing countries to follow in economic and political development.

Taiwan: Li Speaks at Banquet on 'International Responsibility'

OW2005155196 (Internet) Taiwan Central News
Agency WWW in English 1521 GMT 20 May 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — President Li Teng-hui held a state banquet on Yangmingshan Monday night (20 May) in honor of the foreign delegations who came to Taiwan to attend Li's inauguration in the morning.

In a speech prior to the banquet, Li said the Republic of China [ROC] has never shirked its international responsibility even though it has been in a difficult situation.

"We have been expanding ties with other countries on the principles of equality and mutual benefit and sharing

our successful development experience with them," Li said.

The ROC's per capita income surged from just US\$56 in 1949 to US\$12,439 in 1995, Li noted.

At the same time, Li said, the ROC has been actively and pragmatically seeking opportunities to join international organizations with a view to facilitating international cooperation and peace.

Li thanked those countries that have put their unwavering support behind the ROC.

In return, Costa Rican President Jose Maria Figueres on behalf of the guests spoke highly of the ROC's achievements under Li's leadership. Figueres also wished the ROC prosperity.

Among the guests attending the banquet were Nicaragua President Violeta Barrios de Chamorro, Burkina Faso President Blaise Compaore, Guinea-Bissau President Joao Bernardo Vieira, Commonwealth of Dominica President Crispin Sorhaindo, Swazi King Mswati III, Guatemala President Don Alvaro Arzu [name as received], and Palau President Kaniwo Nakamura [name as received].

Taiwan: DDP Legislator, Others Comment on Li's Inaugural Speech

OW2105111996 (Internet) Taiwan Central News Agency WWW in English 1013 GMT 21 May 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 21 (CNA) — Local experts and academics on Tuesday [21 May] gave thumbs up to President Li Teng-hui's inaugural speech on Monday, saying Li's remarks are creative in future national development and cross-strait ties and expressing the hope that Taiwan will be able to create new economic and political miracles under Li's leadership.

Speaking at a seminar sponsored by the National Policy Research Foundation on future national development, Democratic Progressive Party Legislator Parris Chang said Li's proposed journey of peace to Mainland China and his willingness of ending the state of hostility between the two sides have passed the ball to the mainland court.

Chang said, however, that he is against holding a summit meeting in Beijing. A visit by President Li to Mainland China is not necessarily positive to help upgrade Taiwan's international image, he noted.

Chang also suggested President Li make a thorough review of his past mainland policy, saying that time has

proved it to be a flawed strategy that more economic contacts with the mainland would help bring about greater political compromise from Beijing.

Shao Yu-ming, director of the Institute of International Relations, National Chengchi University, praised President Li's remarks regarding cross-strait relations as progressive, especially his declaration that "Chinese should help Chinese." Taiwan, in the future, should adopt more concrete measures to help Mainland China, he noted.

President Li's disavowal of Taiwan independence in the address also fully reflected Taiwan's goodwill and sincerity on the "one China" issue, he said.

Hsu Ching-fu, professor of political science at National Taiwan University, said President Li's inaugural speech clearly outlined the government's future policies in the fields of politics, economics, cultural development and judiciary reforms, reflecting the priority of his cross-century political agenda.

Taiwan: Armed Man Caught During President Li's Inauguration

OW2005132196 Hong Kong Television Broadcasts Limited in English 1130 GMT 20 May 96

[From the "News at 7:30" program]

[FBIS Transcribed Text] A man armed with a handgun and an infrared aiming device was arrested at the Taoyuan Stadium where Li Teng-hui was being inaugurated.

Police also found on him renminbi, a Chinese bankbook, and a travel document commonly used by mainland visitors to Hong Kong.

He was hanging around the stadium during this morning's celebratory event. The man is now being questioned by police.

Taiwan: Taipei Takes Issue With Beijing's 'One China' Policy

HK2105060096 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 19 May 96 p 5

[By Vivien Pik-Kwan Chan in Taipei]

[PTS Transcribed Text for FBIS] "One China" does not necessarily mean a united China, the Secretary-General of Taiwan's Straits Exchange Foundation, Chiao Jen-ho, says.

Mr Chiao yesterday took issue with Beijing's "narrow" definition of a single nation, saying it undermined the foundations of cross-strait dialogue.

Taiwan did not accept Beijing's view that one China already existed and Taiwan was merely a province.

In the past, cross-strait relations were able to move ahead because both sides were allowed their own definitions of "one China".

However, as Taiwan found success in extending its diplomatic network, Beijing began to tighten the definition.

"Both Taiwan and mainland China are moving towards the goal of 'one China'. However, the fact is the one China is still split. Beijing has to recognise this reality," Mr Chiao said.

It was not fair to say that all of President Lee [Li] Teng-hui's actions involved independence.

"Since both sides are equal, we say that what Beijing can do, Taipei can do. For example, if [President] Jiang Zemin can visit the United States, Mr Lee can go as well. If Beijing can develop international relations, Taiwan — as a member of the international community — can do the same," Mr Chiao said.

Taiwan could not accept Beijing's condition that Taipei give up these rights before resuming talks.

Beijing has said that for bilateral talks to resume, Taiwan must stop pursuing diplomatic relations with other countries and stop pushing for United Nations membership. "We have urged Beijing to stop calling Taiwan a provincial or local government," Mr Chiao said.

The principle also applies to direct links in communication, transportation and business. "Taiwan will not start direct links with the mainland if Beijing insists these links are domestic."

No matter how successful the Hong Kong Special Administrative government is after 1997, the Taiwan public would not accept "one country, two systems".

Mr Chiao said that the international community had changed its attitude towards Taiwan and had recognised its economic achievements.

"Beijing has to recognise this and to review its policy towards Taiwan," Mr Chiao said.

If Beijing agreed that both sides were equal, all kinds of talks were possible even on military strategy and defence.

When Mr Jiang put forward his eight-point Taiwan peace proposals early last year, the timing was poor — Taiwan was preparing for its legislative and presidential polls. Under those circumstances, it was impossible for Mr Lee to respond quickly and positively, he said.

However, becoming Taiwan's first democratically elected president had given Mr Lee the mandate to reply clearly to Mr Jiang.

Mr Lee would respond in his inauguration speech to Mr Jiang's appeal for leaders' visits and political talks, said Mr Chiao.

Taiwan: PRC Urges Li To Take 'Practical Action' on Unity

HK2105065096 Hong Kong SOUTH CHINA MORNING POST in English 21 May 96 p 1

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] Beijing last night called on Taiwan President Lee [Li] Teng-hui to take "practical action" to demonstrate his commitment to a unified China.

However, in responding to Mr Lee's inaugural speech, Beijing's Taiwan Affairs Office did not mention his conditional offer of a "journey of peace" to the mainland.

"The Taiwan authorities must first of all stop international activities and fabricating two Chinas — one China, one Taiwan," it said. "They must not only in words but in action stand truly on the principle of one China. They must take practical action in promoting relations across the strait and peaceful unification."

The Taiwan Affairs Office blasted Taipei for advocating quasi-independence ideals, but stopped short of criticising Mr Lee by name.

It also reiterated Beijing's commitment to "peaceful unification", saying President Jiang Zemin's "eight-point initiative" of January 1995 — which says

"Chinese will not fight Chinese" and calls for high level exchanges — remained valid.

After a brief swearing-in at the Presidential Office in Taipei yesterday, Mr Lee and Vice-President Lien Chan travelled to a domed stadium filled with 50,000 flag-waving, slogan-chanting Kuomintang supporters.

Warplanes roared above and artillery boomed a 21-gun salute as Mr Lee proclaimed in his inaugural address the arrival of "popular sovereignty" in "our common homeland".

Delegates from 24 countries, including nine heads of state, were on hand to salute Mr Lee.

While officials investigated how Mr Lee's speech had been leaked to a Japanese newspaper on Saturday, the President stuck to his prepared text when he expressed his willingness to "embark upon a journey of peace" to

China provided there was such a national necessity and full popular support.

This clause elicited the most enthusiastic response of the entire ceremony. However, the Taiwan business community's reaction to his speech was cautious.

Stock prices plunged 4.1 per cent — down 246.29 points to 5,774.89 — as investors reacted coolly to hopes for improved ties with mainland China.

Investment analysts said they feared Mr Lee's "concession" would be ill-received in Beijing, which could unleash another round of sabre rattling.

Chinese sources said that, in the coming months, Beijing would focus on diplomatic efforts to isolate Taiwan in addition to the longerterm goal of defence modernisation to improve the People's Liberation Army's lead over Taiwan forces.

A few mainland Taiwan experts reacted positively to Mr Lee's speech.

Chinese Academy of Social Sciences scholar Li Jiaquan said: "I think China would probably welcome Lee's visit if he came in a private capacity or as chief of the Kuomintang, but not as a so-called president."

Taiwan: Information Office Head Comments on 'Pragmatic Diplomacy'

OW2105093696 (Internet) Taiwan Central News Agency WWW in English 0758 GMT 21 May 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 20 (CNA) — It would pave the way for a "win-win" situation for both Taiwan and Mainland China, if the Chinese communists could understand that Taiwan's pragmatic diplomacy is not aimed at confronting Mainland China, according to ranking government officials.

Government Information Office Director-General Hu [Chih-chiang] told CNA in an interview on Monday [20 May] that President Li Teng-hui had pointed out in his inaugural address that during his next four-year term, in addition to promoting a wide range of reforms on the domestic front, he will continue to expand cross-strait ties while seeking a greater international space for Taiwan.

Hu, who has been designated as the next Republic of China [ROC]'s representative to the United States, said President Li is sincere in improving relations with Mainland China, including proposing a journey of peace to the mainland. "For our own existence and developments, we must do what we should do,"

he explained, referring to the government's pragmatic diplomacy.

Hu stressed that the government's efforts to promote pragmatic diplomacy are not aimed at undercutting Mainland China. He called on mainland authorities to understand this, saying "what are good to our existence and developments will benefit all the Chinese people in the future."

As to the government's bid to join the United Nations and other international organizations, Hu said the government should do what the people expect it to do, adding that if the Chinese communists can understand this, it will help create a "win-win" situation for the two sides.

Meanwhile, Vice Foreign Affairs Minister Stephen S.F. Chen, citing President Li's inaugural speech, also said that before the goal of unification is achieved, "we will continue to promote pragmatic diplomacy in compliance with the principles of goodwill and reciprocity."

Seeking unification and promoting pragmatic diplomacy are two issues that are not necessarily mutually-exclusive, he noted.

Taiwan: Li Teng-Hui Sends Message to Democracy Conference

OW2105111396 (Internet) Taiwan Central News Agency WWW in English 0922 GMT 21 May 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, May 21 (CNA) — The Republic of China [ROC] has set a successful example for the people of the world seeking freedom and democracy, President Li Teng-hui said Tuesday [21 May].

Li made the remarks in a written message to the opening of the 28th World League for Freedom and Democracy (WLFD) General Conference held at the Taipei Grand Hyatt Hotel. Li's message was read by Presidential Senior Advisor Y.S. Tsiang.

Li said freedom and democracy have become the trend of the world since the end of the Cold War. But freedom and democracy must be pursued in an environment of stability and peace, as evidenced in the ROC's example, he pointed out.

Swaziland King Mswati III said at the opening ceremony that the 21.3 million Taiwan residents had freely chosen their president, and this is an indication that only a sovereign and democratic country can do so.

WLFD President Chao Tze-chi said in the ceremony that the WLFD's mission is to unite the forces of freedom

and democracy in the world to safeguard peace and security of the world.

The conference was attended by 135 foreign dignitaries from 64 countries, including Solomon Parliamentary Leader Paul Tovuva, Japanese Dietman Nakayama Masaaki, French Parliamentarian Georges Mesmin, and Honduras Culture Minister Rodolfo Pastor Fasquelle.

Former prime minister of South Korea Yi Yong-tok and Australian Senator Paul Henry Calvert will speak at the closing ceremony on May 22.

Taiwan: KMT Official: Li Would Visit Mainland as Head of State

OW2105095596 Hong Kong AFP in English
0934 GMT 21 May 96

[FBIS Transcribed Text] Taipei, May 21 (AFP) — Taiwanese President Li Teng-hui would make any future visit to China in his capacity as head of state, the secretary-general of the ruling Kuomintang (KMT) said Tuesday (21 May).

"The president has proposed to embark on a journey of peace to the mainland, and of course he will visit there in his capacity as head of state," Hsu Shui-te told reporters here.

He said Li's offer to visit China and talk with top Chinese leaders demonstrated his goodwill and willingness to mend ties with the mainland. "Now the ball is in their court," Hsu said.

He said Li would have to have public consensus before making the trip, adding "so far, we have not heard of any voice opposing such a visit."

In a speech on Monday marking his inauguration as Taiwan's first democratically elected president, Li said that "in the future" and with public support he would "like to embark upon a journey of peace to mainland China..."

He added he was also ready to "meet with the top leadership of the Chinese communists for a direct exchange of views in order to open up a new era of communication and cooperation between the two sides and ensure peace, stability and prosperity in the Asia-Pacific region."

Hsu said Li had clearly spelt out the timetable for reunification with China in the 21st Century, which showed the president's determination to unify with the mainland.

Taiwan's CHINA TIMES EXPRESS newspaper, quoting an unnamed senior government official, said Li would not insist in going in his capacity as head of

state as long as the Chinese officials he met were given the same title during the meeting.

The principle problem lies in the fact that China insists that it is the sole legitimate government of all China including Taiwan, which would make it virtually impossible for Li to make the trip as head of state.

If China agreed to Li visiting as a head of state "it would be tantamount" to their accepting that Taiwan is a separate independent country, a Western diplomat said.

On the other hand if Li went there as the representative of a provincial or local government, China views Taiwan as a renegade province, then it would be Taipei that was effectively renouncing its declared policy of being recognised as a sovereign state, he added.

China on Tuesday reaffirmed its total opposition to the idea of Taiwan as a democratic sovereign state.

While respecting the right of "Taiwan compatriots" to develop democratic politics, China's Taiwan Affairs Office stressed that such a process could only take place on the understanding that Taiwan is an inalienable part of China.

Beijing has viewed Taiwan as a renegade province ever since nationalist forces fled to the island in 1949 to set up a rival government after losing a civil war to the Communists on the mainland. China has threatened to retake the island by force if Taiwan declares independence and has staged a series of military exercises near the island and suspended high-level talks since June to protest at a "private" visit Li made to the United States. Beijing saw Li's trip in the context of Taipei's efforts to end the island's diplomatic isolation and push forward the cause of independence.

Taiwan: Premier Explains Stand on Territorial Waters, Economic Zone

OW1705133596 (Internet) Taiwan Central News Agency WWW in English 1247 GMT 17 May 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, May 17 (CNA) — Premier Lien Chan said Friday (17 May) that the ROC [Republic of China] government "will neither recognize, nor accept" Mainland China's claims that Taiwan's outlying defensive islands of Kinmen [Quemoy], Matsu, and Wuchiu lie inside Mainland China's territorial waters.

Responding to questions at the legislature, Lien said the government's stance on the issue is clear — that territorial waters are the extension of a nation's sovereignty.

The ROC expanded its territorial waters to 12 nautical miles and set its 200-mile economic zone as early as 1979, Lien said.

According to the provisions of the United Nations Convention on the Law of the Sea, which officially came into effect on November 16, 1994, every coastal nation can declare a 200-nautical mile exclusive economic zone along its shores. Nations can also enjoy sovereignty over the exploration, development, conservation, and management of natural resources within the off-shore zone.

Lien said that the government has submitted two major draft bills on the issue to the legislature, and he urged their quick passage.

Taiwan: DPP Legislator Attacked by Unknown Assailant

OW1805095696 (Internet) Taiwan Central News Agency WWW in English 0813 GMT 18 May 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, May 18 (CNA) — Legislator Peng Shao-chin, (DPP [Democratic Progressive Party] Taoyuan), was attacked near his Taipei residence by an unidentified young man with a knife Saturday [18 May] morning.

He was hacked four times in the arms and legs, and was rushed to the Tri Service General Hospital. He suffered a severed tendon in the leg and several cuts in the hand,

according to a hospital spokesman. He was in stable condition.

The incident occurred at about 7 a.m. when the prosecutor-turned legislator left his residence for work, according to police.

Two young men approached him from behind on a motorcycle, one of them attacked him with a knife and fled, the police quoted witnesses as saying.

Although the police suspected personal grudge as the possible motive, no one was arrested so far.

It is a common practice among Taiwan gangsters to cut off foes' tendons as a warning.

While serving at the Taoyuan District Prosecutor Office, Peng had involved in the investigation of many scandals, and was regarded as an advocate for judiciary reform.

His stabbing sent shocks waves to the Legislature Yuan, many of his enraged colleagues demanded the police to bring the assailant to justice as soon as possible.

The DPP headquarters issued a statement Saturday afternoon alleging the attack had something to do with Peng's recent interpellation at the Legislative Yuan regarding the video game scandal.

The opposition party noted that DPP's Secretary-General Chiu I-jen was attacked recently too, the two incidents reflected the threat posed by the underworld on the political system and social order.

Lawyers and human rights groups said yesterday it would be impossible to transfer the migrants out of the territory at the present rate of 600 per month.

Under the Orderly Repatriation Program (ORP) schedule, it will take more than two years to repatriate the 18,000 boat people.

Senior law lecturer at the University of Hong Kong Nihal Jayawickrama said the Government was under no legal pressure to empty the camps.

China has demanded that all boat people be out of the territory before the transfer of sovereignty in July next year. "These people are in Hong Kong under Hong Kong law and I do not see why the Government should be under any pressure to remove them," Mr Jayawickrama said.

He said there was a strong chance detainees could still be in Hong Kong beyond 1997, awaiting resettlement, screening or repatriation.

The boat people's presence in Hong Kong is lawful under the Immigration Ordinance.

"I cannot see how any who happen to be here on 1 July 1997 can be pushed out. They have to be dealt with in terms of the law," Mr Jayawickrama said.

The Government hopes voluntary repatriation will increase, along with the 600 forced transfers each month under the ORP.

"We believe by speedily increasing the ORP it will have an effect on voluntary repatriation and if both repatriations work in parallel we could achieve our aim of emptying the camps before the handover," a security branch spokeswoman said.

But groups concerned with the boat people were doubtful.

Pam Baker, of Refugee Concern, criticised the Government's commitment to forced repatriation and urged it to look at other ways of emptying the camps.

She said if boat people were allowed to resettle with relatives overseas or if initiatives such as Track Two, a resettlement scheme offered by the United States, were better administered the camps could be emptied at minimal cost to Hong Kong by the end of the year.

She also expressed concern for any detainees remaining in the camps beyond 1997. "China has said it will treat them as criminals," Ms Baker said. "If that's the case, they may view corporal punishment as a cost-effective way of dealing with the matter."

Mark Zuckerman, of Legal Assistance for Vietnamese Asylum Seekers (LAVAS), agreed there was a chance

voluntary repatriation could increase along with the ORP. But he also said the Government's attempts at repatriation would become harder as the 30 June deadline approached.

"There are obstacles the Government needs to consider, such as the possibility of Malaysian Airlines pulling out of the flights," he said. He said it was unlikely any asylum seekers remaining after the transfer of sovereignty would be dealt with in a "sensitive way" by China.

However, one group of boat people who felt they would be better off in Hong Kong after China takes over were the Vietnamese writers.

Professor Peter Stambler vice-president of PEN, a human rights group working for imprisoned Vietnamese writers, said they would face such persecution upon their return to Vietnam that they would prefer to remain in the Hong Kong camps, even after China took over.

Hong Kong: JLG Experts Discuss Nationality, Right of Abode Issues

*OW2105135896 Beijing XINHUA in English
1340 GMT 21 May 96*

[FBIS Transcribed Text] Hong Kong, May 21 (XINHUA) — Chinese experts on the Sino-British Joint Liaison Group (JLG) made an overall introduction to the British side at a JLG meeting today on the issues of nationality and right of abode.

Chen Zuo'er, Chinese JLG representative, said at a press briefing after the meeting that the National People's Congress (NPC) Standing Committee ratified a proposal by the Preparatory Committee and made an authoritative explanation on some issues concerning the implementation of the Nationality Law in the Hong Kong Special Administrative Region.

This means that the Chinese government has determined the principle concerning the handling of Hong Kong residents' nationality issue, he said.

He said that Chinese experts will hold an open attitude as they have always done before and listen to the views of various circles of Hong Kong as well as of British experts on the specific handling of the issue concerning the implementation of the Nationality Law and regulations in the Basic Law on the right of abode.

During the meeting the Chinese experts answered over 20 related questions put forward by the British side in advance, Chen said.

He said this kind of informal exchange of ideas is very productive and will be carried on till these issues are resolved.

Hong Kong: Government Criticism of Provisional Legislature Attacked

HK2105062196 Hong Kong SUNDAY HONGKONG STANDARD in English 19 May 96 p 1

[By Michael Smith]

[PTS Transcribed Text for FBIS] Former chief secretary Sir David Akers-Jones has attacked the Hong Kong Government's criticism of the provisional legislature, saying it has nobody to blame except itself for China's decision to dissolve the Legislative Council next year.

After months of silence, Sir David, a Hong Kong affairs adviser to Beijing, re-entered the political fray last week to strongly defend Beijing's decision to set up a provisional legislature.

He said the setting up of the body was the direct consequence of the electoral reforms announced by Governor Chris Patten in 1992.

"This does not and should not come as a surprise to anybody," Sir David said. "Once we have certain electoral arrangements put in place which deviate from previous understandings and agreements . . . then you endanger the through-train."

Sir David was the first expatriate to be appointed a Hong Kong affairs adviser in 1993. He was one of the most senior government officials to openly criticise Mr Patten's reforms.

Sir David was labelled a turn coat by critics at the time for his pro-Beijing stance.

He said last week that the media's portrayal of the provisional legislature debate was distorted. "I am tired of seeing comment in the media as though the Legislative Council is going to be abolished. It isn't," he said. "We are very much in the same situation as Bangladesh, where, between one legislative council and another, they have in fact an appointed caretaker."

The Patten administration has branded the provisional legislature illegal and in breach of the Basic Law. China plans to set up the temporary body after it dissolves the present legislature, which was formed under the new electoral laws.

Sir David also rejected speculation that there was a seat waiting for him on the China appointed Selection Committee or the provisional legislature. He said he would continue to advise China on Hong Kong affairs.

Responding to Mr Patten's criticism of Hong Kong tycoons' dealings with China, Sir David rejected suggestions that the business community had sold out to Beijing.

"You really have got to see the strength of investment in things like the airport and airport railway and Central reclamation," he said. "It is difficult to believe the tycoons are selling out to Hong Kong when they are investing so heavily in it."

Hong Kong: Editorial Urges Patten To Explain Mudslinging

HK2105091496 Hong Kong WEN WEI PO in Chinese 16 May 96 p A2

[Editorial: "Chris Patten Must Explain to Hong Kong People Why He Is Slinging Mud at Hong Kong"]

[PTS Translated Text for FBIS] While visiting the United States and Canada, Chris Patten delivered many speeches in which he challenged the Sino-British Joint Declaration, divided the Hong Kong people, and threw mud at Hong Kong. This has aroused the vehement indignation of people from all walks of life in Hong Kong. On his return to Hong Kong, hundreds of representatives from nearly 100 organizations went to the airport to express strong protests. Over the past few days, organizations from all circles also have issued statements bitterly denouncing his remarks that discredited Hong Kong and calling on him to give an explanation to the Hong Kong people. The four major chambers of commerce in Hong Kong have even planned to hold a meeting today [17 May] to study how to react to Patten's remarks attacking local industrial and commercial circles while he was in the United States and Canada.

Apart from evasively shirking his responsibilities at the airport upon his return, Patten, who always indulges in verbiage, pretended not to hear the strong calls for him to make an explanation. On the one hand, this shows that he is unable to advance any further arguments; on the other hand, it also shows that despite his constant lip service to "popular will," at heart he thinks nothing of it. Such a dictatorial and arrogant style of handling affairs has thoroughly laid bare the colonialist trick of pretending to be "democratic."

Patten called his trip to the two countries by the high-sounding name of arguing for China's most-favored-nation [MFN] status and visa-free access for the special administrative region [SAR] passports. In fact, however, prior to his visit to the two countries, the U.S. Government had clearly stated that it would renew China's MFN status, while the Canadian Government had also indicated that it would grant visa-free access to SAR passports. He only wanted to find a pretext to cover up his playing of the "international card" at taxpayers' expense. His numerous, frenzied discrediting remarks about Hong Kong in the United States and Canada had

nothing in common with what he claimed. No wonder the local media regards him as "selling dog-meat under the label of a sheep's head."

While in the United States, Patten hurled invectives at local industrialists and businessmen. He slandered them, saying that they kowtow to Beijing in a bid to seek private gain. He denounced them for suppressing the popular will in Hong Kong, opposing democracy, and betraying the Hong Kong people's interests. Such abusive language, being devoid of reason, has aroused not only the vehement indignation of local industrialists and businessmen but also the strong discontent of local residents. People from all walks of life have pointed out: The torrent of abuse Patten flung at the industrialists and businessmen has reached the stage of being "possessed by the Devil," and its viciousness has reached the level of personal slander and insult. The fact that a colonial governor from the so-called "country of gentlemen" should have insulted others, while in fact he has insulted himself, is precisely a manifestation of being in the wrong and flying into a rage for being unable to advance any further arguments.

For a long time in the past, the local industrial and business circles have shared weal and woe with the vast numbers of people in different strata and made a great deal of contributions to Hong Kong's prosperity and stability. Hong Kong's success as an international financial, trade, and shipping center and its illustrious economic status are inseparable from the hard work of the industrial and business circles. Even the constitutional green paper released by the British Hong Kong authorities in 1987 stressed that the industrial and business circles played an important role in maintaining Hong Kong's prosperity and its confidence for the future. The local industrial and business circles are not only an important force in maintaining Hong Kong's prosperity and stability, but they have worked together with the vast numbers of local residents to promote a stable transition and participate in the formation of the SAR, and they are committed to Hong Kong's future. The slanderous remark about the so-called "betrayal of Hong Kong people's interests" is nothing but Patten's self-description. He attempts to sow discord between the industrialists and businessmen on the one hand and the middle class as well people of other strata on the other. This eloquently proves that the colonialists are trying, when they are retreating, to create social division and contradiction so as to profit from others' conflicts. But in trying to sow discord Patten has miscalculated. As a member of the Chinese nation, the Hong Kong people have a lofty spirit of patriotism and a strong unifying force. At the historical moment of Hong Kong's reversion to China, the Hong Kong people have more ex-

tensively and closely rallied under the banner of loving China and Hong Kong, and he will only expose his own weak points by resorting to the colonialist stock trick of sowing discord.

Patten not only has ferociously hurled abuse at local industrialists and businessmen, but he has also overrated his own ability in trying to overthrow the Joint Declaration. He claimed in the United States that Britain would take an interest in all that happens in Hong Kong for 50 years after 1997. This remark nakedly demonstrated the colonialists' wild ambition of vainly trying to extend their rule. Such an ambition can be traced to the same origins as Britain's arguments during the Sino-British talks on the Hong Kong problem, such as "the three treaties being valid," "exchanging sovereignty for administration," and "Sino-British joint administration." It is also the most accurate explanatory note to Patten's "three-violation" constitutional reform package and his attempts to carry out rapid "legal reform." Since Patten is so blatant as to challenge the Joint Declaration, does he still have the sincerity to carry out the Joint Declaration? He must explain this to the Hong Kong people as well.

During his visit to the two countries, Patten also maliciously attacked the provisional legislature on many occasions. He vilified the provisional legislature as a "puppet" and incessantly said that the setting up of the provisional legislature should be "subject to denunciation." He attempted to conceal from the international community the cause leading to the setting up of the provisional legislature in order to throw dust in people's eyes, challenge China's sovereignty, and discredit the reasonable and legitimate preparations the Chinese side has been making to resume sovereignty over Hong Kong. His statements during his visit to the two countries fully prove that the purpose of his trip is to throw mud at Hong Kong and shake the international community's confidence in Hong Kong's future.

Hong Kong people have the right to ask Patten to explain his malicious, discrediting remarks about Hong Kong, and he has the duty to explain and apologize to Hong Kong people. He will only expose himself unwittingly if he tries to gloss over his faults with denial.

Hong Kong: MING PAO Reacts to Privy Council Verdict

*HK2105092596 Hong Kong MING PAO in Chinese
21 May 96 p A1*

[Report: "MING PAO's Response to Privy Council's Ruling"]

[PTS Translated Text for FBIS] 1. The British Privy Council ruled yesterday that as the crime referred to in

Article 30, Section 1 of the Prevention of Bribery Ordinance has had its coverage reduced, what MING PAO and its three editorial staff members did previously did not contravene the ordinance as a result. Accordingly the four people (as published) won their appeal. This newspaper welcomes this ruling, but it is disappointed that the Privy Council failed to look squarely at the threat imposed on freedom of speech by "Article 30 of the Prevention of Bribery Ordinance" and thus ruled that the article does not violate the human rights law.

2. This newspaper has been of the opinion that "Article 30 of the Prevention of Bribery Ordinance" goes against the principle of free press. In particular, of all law-enforcement departments across the territory, only the Independent Commission Against Corruption (ICAC) enjoys such a privilege. Again, the MING PAO report, which was involved in the case, in no way affected anyone's reputation and had a substantial impact on the investigation, but the ICAC still filed charges against MING PAO. This could hardly convince the public. It was for this reason that this newspaper did not hesitate to appeal to the Privy Council to safeguard freedom of speech in Hong Kong.

3. This ruling will prevent the ICAC from bringing a lawsuit against the press at every turn in the future by citing the ordinance. But the "evil law" remains, so this newspaper hopes legislators will amend the relevant laws in unequivocal terms when reviewing "Article 30 of the Prevention of Bribery Ordinance" to provide clearer and more realistic protection of free press and speech in Hong Kong.

Hong Kong: Editorial Views Need To Boost Confidence on HK Future

HK2005081896 Hong Kong SOUTH CHINA MORNING POST in English 18 May 96 p 14

[Editorial: "A Boost To Confidence"]

[PTS Transcribed Text for FBIS] The only change so far has been relatively small. The Preparatory Committee's legal sub-group has merely recommended that there is no need to scrap the Judicial Service Commission Ordinance after the handover, as had previously been proposed, since it can instead be amended to bring it into line with the Basic Law. What is encouraging is not so much the details of this decision. Rather it is the pragmatic spirit which underlines it, with panel members recognising that it is in Hong Kong's best interests for Beijing to keep to the bare minimum the number of laws it chooses to repeal.

That was rarely appreciated by their predecessors on the Preliminary Working Committee (PWC), which recommended the whole-scale scrapping of legislation

that allegedly infringed the Basic Law, with little regard for the practical and constitutional consequences. In many, if not most, cases that was unnecessary, as has now been shown by the U-turn over the Judicial Service Commission Ordinance. But it remains to be seen how far Preparatory Committee members are prepared to extend this new-found spirit of pragmatism.

Some of the PWC's targets for repeal, such as the Legco Commission and the Powers and Privileges Ordinance, have no connection with Governor Chris Patten's political reforms and are essential to the smooth running of any legislature, however it is constituted. They would be obvious priorities for a similar rethink.

The Preparatory Committee could also usefully reconsider their predecessors' plan to reinstate the original versions of six amended ordinances, as this also certainly breaches the Basic Law, which only allows Beijing to invalidate existing laws, rather than resurrect old ones. But the real test of their willingness to eschew political dogma in favour of pragmatism will come over the Bill of Rights.

There can be no disputing community sentiment on this issue, after the outcry that followed the PWC's proposal to emasculate this ordinance. If Preparatory Committee members now show themselves similarly willing to reverse that decision, then they will give a major boost to Hong Kong people's confidence in their future.

Hong Kong: Financial Secretary Interviewed

BK2005102996 Bangkok ASIA TIMES in English 20 May 96 p 3

[Report by Kevin Hamlin]

[FBIS Transcribed Text] Singapore — Donald Tsang is considering the shape of Hong Kong's economic future.

The territory's financial secretary is thinking, in particular, about the relevance to Hong Kong of institutions such as Singapore's Economic Development Board (EDB), the powerful body that has been the mastermind behind much of Singapore's economic success. Such a thought once would have been anathema to a financial secretary of free-wheeling Hong Kong, a place where success has flowed from a government philosophy of minimum interference in business.

But in his budget speech earlier this year, Tsang signaled a subtle shift of policy when he said the government's approach to service industries needed to be reviewed. He unveiled a package of measures to raise the services sector's competitiveness. His action agenda for 14 service industries included proposals to set up a

software industry and to establish a Small and Medium Enterprises Committee.

To some, it all sounded very un-Hong Kong. "You can detect that I'm changing already in terms of emphasis, in terms of approach," responded Tsang. "But I'm not... abandoning the fundamental philosophy that we have that government must be small, that government must be following the leadership of the private sector as far as commercial initiatives are concerned."

What Tsang is trying to ensure is that his government "be very, very responsive in providing the necessary supporting infrastructure" needed by the private sector — be it the number of Mandarin speakers, the type of telecommunications infrastructure or engineers.

While in Singapore on Saturday to open the Hong Kong Economic and Trade Office, Tsang spoke to Singapore correspondent Kevin Hamlin about these and other issues.

Q: You wanted to study the Economic Development Board while in Singapore. What have you learned?

A: I deliberately came here to see whether we can learn from the way the Economic Development Board does things. Hong Kong and Singapore have mirror organizations in all sorts of things, but one thing we don't have is an Economic Development Board.

Singapore is far more aggressive (than Hong Kong)... Not only do they identify an industry they wish to promote and establish, but they really go out of their way to contact the potential investor and then construct all sorts of favorable conditions whereby that organization will think seriously about going to Singapore.

Philip Yeo, (Chairman of the Economic Development Board), said he goes out hunting, that he's a hunter. We don't do that, partly because of philosophical reasons and partly because I have far less latitude. Our taxation base is very low already, so we cannot give many concessions.

Then there's our firm belief in a level playing field. I would not wish to give one company a bit more favorable arrangement. I have difficulty in doing economic targeting. We in the Hong Kong government tend to trust ourselves a lot less than the Singapore government trusts themselves. It's very difficult for us to decide that this is the year for aerospace and therefore to go out to contact all aerospace experts.

I don't think our legislature will permit that. The EDB is given an enormous latitude in the way they grant preferential treatment to their targeted investors. The preferences can come in the form of tax relief or tax holidays. It can also be in the form of co-financing.

equity injection or soft loans. That is the sort of thing which would arouse enormous legislative curiosity in Hong Kong.

Q: Would you like to be able to deliver it?

A: I'm thinking about this thing. I have lots of questions on my mind that I'm trying to mull over. I have discussed this with Philip Yeo. I also discussed it briefly with the prime minister and with the finance minister, Richard Hu. All of them, I think, gave me the impression that it might not be relevant to Hong Kong's context. They believe that we have .. a market in the hinterland which they don't.

There's a certain wisdom in that Hong Kong will be part of China. So it's a natural trading partner with enormous resources, with an expanding market, with some virgin territories as far as business is concerned. Then we do not need to go out and hunt for food because there is a big (supply) there that will just flow naturally into my boundary, whereas (Singapore) is surrounded by different sorts of neighbors and they have to go far and wide in order to hunt for food.

Q: Could elements of an EDB-style body be utilized by Hong Kong?

A: Hong Kong always believes in checks and balances, in some supervisory oversight by somebody. The EDB doesn't operate with a natural oversight. There is very little parliamentary curiosity, for instance, into what they do. In Hong Kong, it's not only whether you are able to produce results. You have to explain why you achieved those results and why you cannot achieve even higher results.

Q: So it's unlikely you'll become a hunter in the near future. You'll leave that to business?

A: Yes, but they're hunting with their own money. I haven't got my own money. I'm hunting with taxpayers' money, so I have to be a lot more careful.

Some Hong Kong business people want the government to have a more proactive approach. Most of them haven't thought through the issues.

If anyone from Hong Kong has thought through what Singapore is doing, against the political infrastructure that we have, they might come to the same conclusion which I have.

Q: How would you like to see your initiative to strengthen the services sector evolve in the coming years?

A: I'm hoping there will be some institution established within the government whose main task will be to

develop the service industry. It should be small; it should have a coordinating role; it should not have a role which would override the policy responsibilities of various policy branches of government. If we have some consensus emerging, then I will put my bid for resources in the coming year and hopefully the institution can come into being in April 1997.

What I would wish to achieve at least two or three years down the road is to have a far more efficient government machinery to respond to any changes in investment trends, particularly towards the service industries.

Q: Some Hong Kong businessmen say what you are doing is too little, too late; that you should utilize an EDB-type planning body.

A: They always say that. Either I'm too little, too late or I'm totally ahead of time.

In order to do the sort of thing that your friendly businessmen talked about, I would have to collect a lot more taxes. You are talking about a government that is going into all sorts of commercial enterprise. Whoever proposed that sort of arrangement must answer the question whether they are quite happy to increase salaries tax by 10 percent or profits tax.

Q: But it must be frustrating for you to see the Singapore government targeting and attracting the same high-tech industries Hong Kong presumably wants. Do you feel that frustration?

A: No, the frustration is not there because I do not trust myself of being capable of doing a job of that kind.

I've seen other people getting their fingers burned. Korea had over-capacity in shipbuilding for a long, long while. And it involved the government in enormous investment in that area. And in electronics I think some over-expenditure might have occurred in Taiwan and Singapore.

When you go into this you have to be prepared that your political system will be able to withstand mistakes. I don't think the Hong Kong political system would be prepared to accept any mistakes...

It would probably be a nightmare with the current legislature. I operate on a mode of legislative perpetuity and the present system going through... I do not believe the future legislature (in 1997) will be... docile and just do whatever Donald Tsang tells them to.

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